



The last parade: President Sadat on the reviewing stand with Vice-President Hosni Mubarak (left) and Mr Abu Ghazala, the Defence Minister, just before troops burst out of the parade and fired the fatal shots.

Middle East turmoil after Sadat's assassination by own soldiers

By Peter Hopkirk

President Anwar Sadat, aged 62, of Egypt, the peasant's son who tried to bring peace to the Middle East, died at the hands of a group of his own soldiers during a military parade in Cairo yesterday.

His assassination threw the Middle East into turmoil and caused alarm in Israel and western capitals. But news of it was greeted with joy by his foes, PLO men in Beirut fired their weapons into the air in celebration.

The attack took place during the annual October 6 parade to celebrate the day, eight years ago, when Egyptian troops launched a successful surprise attack across the Suez Canal into Israeli-occupied Sinai.

Eye-witnesses say that a soldier clutching a hand-grenade leapt from a vehicle towing an artillery piece as it drew level with the reviewing stand where the President was sitting. He hurled it in the direction of the Egyptian leader, but it was seen to fall slightly short of its target.

At the same moment, five other blue-bellied soldiers leapt from the vehicle and began to spray the President's stand with bullets from their Kalashnikov rifles.

In addition to fatally wounding the President, they killed seven other senior Egyptian officials and guests, including at least one of the presidential British ambassador, Sir Michael Weir, who was only 15 yards from the Egyptian leader, threw himself to the ground. Neither he nor the British military attaché, Colonel Peter Rosser, was hurt.

According to one senior western diplomat, "two or three" Egyptian generals seated close to Sadat appeared to be gravely wounded. Panic and confusion broke out as the presidential bodyguard returned fire. Shooting, according to one western eye-witness, continued for at least five minutes.

President Sadat was rushed to hospital by military helicopter. It is believed that he died while surgeons were operating to save his life. He was known to suffer from heart trouble.

His death was announced on state-run television some seven hours after the attack. Last night the streets of Cairo, normally crowded with strollers, were almost deserted and strangely silent. Normal television broadcasts were suspended and texts from the Koran screened instead, and a one-year state of emergency was declared by Vice-President Hosni Mubarak, who is 53. Egyptians were told that a new leader would be chosen within 60 days, with Sadiq el-Taher, Speaker of the People's

Assembly, acting as caretaker President in the meantime.

Mr Mubarak gave assurances that Egypt would stand by the late President's policies, but last night there was concern in western capitals, particularly in Washington and Tel Aviv, about Cairo's future direction.

In Beirut, three different groups claimed responsibility for the attack. However, well-placed sources in the Egyptian Army, who requested anonymity, said that the attackers, led by a lieutenant, were six members of an artillery unit. Two of them had died, one appeared by a lance-while the remaining four were being interrogated last night. The sources said that the men were members of a Muslim fundamentalist group.

An anonymous caller to news agency offices in Beirut, however, claimed that the assassins were "free officers" belonging to an organisation headed by Lieutenant Saad al-Shazli, a former Egyptian chief of staff. In a broadcast on Libyan television yesterday he hailed the assassins as "patriots" but did not himself claim responsibility for the attack.

A British relative of President Sadat, said Egyptian writer, said that the President was planning to bring his family to England. He is Mr Stanley Mubarak, aged 73, his uncle who lives in a bungalow in Bradwell, Derbyshire and has twice visited the Sadat family in Cairo.

Radio Moscow said that the shooting was linked to the discontents of Egyptians with President Sadat's home and foreign policies. Mr Menachem Begin, the Israeli Prime Minister with whom Mr Sadat had worked out and signed the Camp David accords, said the peace process would go on. "I am sure that President Sadat would have wanted it so," he said, his voice breaking with emotion.

Cairo proclaims 40 days of mourning

One of the groups claiming responsibility for the assassination is an exiled Egyptian opposition group identifying itself as the "Rejection Front for the Liberation of Arab Egypt". An anonymous telephone caller told the Beirut newspaper Al-Litwa that the group's secret "Free Officers" branch within the Egyptian armed forces staged the attack.

A previously unknown group, calling itself the Independent Egyptian Liberation Organisation, also claimed responsibility. In a telephone call to news agencies in Beirut, the group said it would give details later.

Another group, the "Front for the Liberation of Lebanon"

ON OTHER PAGES

Sadat's life; World reaction; Who succeeds? Future of Camp David; Markets in chaos; 2, 3 Courageous man by James Callaghan; Lurie cartoon; Sadat's memoirs 16; Leading article 17; Obituary 20; Scramble for gold 21.



Mr Sadat's death is a personal loss for President Reagan, as for other American leaders, notably President Carter with whom he negotiated the Camp David accord. During his visit to the United States in August he developed a relationship with President Reagan which was closer and warmer than the American President enjoys with almost any other foreign leader.

It was this relationship which was the backbone of America's cordial bilateral relations with Egypt and its overall policy towards the Middle East. President Sadat was seen both as a man of peace who had taken enormous personal risks by entering direct negotiations with Israel, and as a man who had unequivocally allied himself with the United States and the West. He was a man who could be trusted—a quality American policy makers believe is rarely found in the Middle East.

The Administration's policy of placing so much importance on one leader had, in fact, come in for a certain amount of criticism. It was pointed out that President Sadat had many enemies—those who were opposed to his rapprochement

with Israel, Islamic fundamentalists and President Gaddafi of Libya to name but a few.

There was always, therefore, a chance that he would fall victim to an assassin's bullet. That has now happened and American policy looks dangerously like a theatrical production in which the lead actor has suddenly disappeared.

Initial reaction was divided as to how seriously President Sadat's death would affect the Camp David "peace process". Much will depend on whether there is an orderly succession and who will be confirmed as the next Egyptian leader.

This is widely expected to be Vice-President Hosni Mubarak, who was also wounded during the shooting. Vice-President Mubarak is well known in Washington and was here just a week ago. He is considered to be a man in the same mould as President Sadat and there is confidence that he would keep Egypt on its present pro-Western course.

However, whoever succeeds President Sadat, will initially have to deal with the authority of the dead leader. It is thought likely that the new president will be more cautious in his approach to the Camp David accord than President Sadat, at least until he has established himself firmly.

Pressure to curtail talks with Israel

Vice-President Mubarak is considered in Washington to be slightly less enthusiastic about the Camp David process than his predecessor. He or any other Egyptian leader is also likely to come under growing Arab pressure to curtail talks with Israel unless Israel appears to deal directly with the Palestine Liberation Organisation (PLO)—which is most unlikely.

President Sadat had urged America to talk directly to the PLO during his recent American visit. But his advice was rejected.

There is less immediate concern in Washington about the impact of President Sadat's death than in an American attempt to develop a strategic consensus in the Middle East. The Egyptian armed forces, the power base both for President Sadat and any future leader, are considered to support firmly Egypt's close political and military ties with the United States, even if some officers have been dissatisfied with the level of American arms supplies to Egypt.

However, a future leader may not be prepared to be blatantly pro-Western as President Sadat and may pay more heed to the opinions of his Arab neighbours.

It throws into question the final Israeli withdrawal from Sinai. It threatens to undermine American plans to establish a series of strategic relationships with pro-Western Middle Eastern countries (of which Egypt, Israel and Saudi Arabia are the most important) against Soviet interference.

It places an even larger question mark than ever over the Administration's plan to sell five A-7s surveillance aircraft and other associated defence equipment to Saudi Arabia.

Just how important President Sadat was to the United States was demonstrated by the fact that all three main television networks scrapped all their morning schedules and devoted their entire coverage to the assassination.

Near-probationism reigned in the White House and on Capitol Hill as rumours and counter-rumours spread as to whether President Sadat was really dead. Because of the confusion, his death was formally announced in the Senate floor by Senator Howard Baker, the Senate Republican leader. It had been formally confirmed by the White House.

As a mark of respect to the Egyptian leader, the House Foreign Affairs Committee postponed until tomorrow its vote on the controversial A-7s sale. President Sadat had strongly supported the sale when he visited Washington last August. The House Committee was certain to vote overwhelmingly against it.

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MPs see speech as clear challenge to leadership

Heath blast at Thatcher's 'dreary path' on recession

By George Clark, David Watts and Philip Webster

Mr Edward Heath, the former Conservative Prime Minister, yesterday made his fiercest attack so far on the Government's economic policy urging a complete reassessment and return to consensus politics and warning that "the only alternative is to drag on down the dreary path of ever-deepening recession".

In response, Mrs Margaret Thatcher, the Prime Minister, who is in Melbourne, made last-minute additions to a lecture in answer to Mr Heath's talk of consensus. It is the talk of consensus which has divided party conference in Bournemouth last week.

Mr Heath chose a meeting of the Federation of Conservative Students in Manchester to warn Mrs Thatcher that businessmen, trade unionists and ordinary citizens had reached a point where they said that the price they were being asked to pay for monetarist policies was unacceptable.

"If more than three million unemployed are necessary to get inflation down to a level higher than it was two and a half years ago, how many more millions of unemployed will be required to bring it down to what level—a level which has never been revealed?", he asked.

In outlining his alternative, Mr Heath said Britain needed to return to the European Monetary System, resume the powers of exchange control, reduce interest rates, spend on selective capital investment, embark on a massive retraining programme, and eventual abolition of the national insurance surcharge.

With anger, he indirectly challenged Mrs Thatcher and her Treasury colleagues: "How dare those who run the biggest budget deficits in history reproach others with the heinous crime of printing money?" It was an obvious reference to attacks made on his administration when inflation got out of control prior to the 1974 general election.

Although he did not once refer to Mrs Thatcher by name in his speech, the implication was clear, especially when he called for a reassessment of policy and return to consensus.

"Some people are still reluctant to embark on this, either because they became hooked at an earlier stage on a simple policy of pure monetarism from which they cannot become unhooked, or because they gave promises to make major increases in defence expenditure, to continuously slash taxes and to produce a balanced budget all the same time. Quite obviously that cannot be done," he said.

Consensus was created by a continuing process of consultation and discussion in which government demonstrates its determination to tackle the difficulties which cause tension within society, among them unemployment, inner city decay and racial discrimination.

Mr Thatcher's long distance reaction was to describe her-

self as a politician of conviction rather than pragmatism. Delivering the 1981 Sir Robert Menzies lecture at Monash University, Melbourne, the Prime Minister riposted to Mr Heath's attack.

"For me pragmatism is not enough, nor is the fashionable word consensus. When I asked one of my Commonwealth colleagues why he kept saying there was a consensus on a certain matter, another replied in a flash: 'Consensus is the word you use when you cannot get agreement', she said.

"For me, consensus seems to be the process of abandoning all beliefs, principles, values and policies. So it is something in which no one believes and to which no one objects. It is the process of avoiding the very issues that have to be solved merely to get people to come to an agreement on the way ahead.

"What great causes have been fought and won under the banner of 'stand for consensus'?" she asked.

By the effects on the cost of servicing government debt, by the increase in government revenue, consequent upon increased economic activity, and by lightening the burden on industry and small businesses, the scene would be set for increased investment, reduced corporate taxation and more jobs.

It would improve corporate finance and profits, an essential precondition of economic recovery, and the process should be assisted by the reduction and final abolition of the national insurance surcharge, which was a tax on employment and production.

The nation also needed a massive training and retraining programme, not just to take young people off the streets but to provide a sound basis for the expansion of industry and services in the future.

"No one will ever convince the exponents of the doctrine of monetarism that it is now inadequate," Mr Heath said. The answer will always be that it has not been tried hard enough or long enough, or that interest rates did not go high enough, or that government spending was not slashed enough, or that it should have been slashed more quickly to produce the desired results.

But the man in the street was asking a series of questions and was not getting satisfactory answers. Mr Heath's implication was that the Conservatives must lose the election if fresh answers were not given.

At the beginning of his speech Mr Heath admitted that perhaps he and others had remained silent for too long in order that the dire consequences of the present domestic policy could be more widely recognized. They had hoped that there would be a more gradual approach. But that was not to be.

At Westminster, support for the Government came from Sir William Clark, chairman of the backbench finance committee and MP for Croydon, South. "The Government is right in pursuing its hard policy in that it is determined to cut down the overspending that successive governments have indulged in," he said.

Referring to Mr Heath's comments that Britain should break free with other EEC countries from the rise in interest rates led by the United States, Sir William said: "We cannot isolate ourselves from the rest of the world, particularly America, if we are overspending at the rate of over £20,000 a minute."

Partial text, page 6

Leading article, page 17

Miners say 9% is not enough

The miners are again on course to become peace-settlers in the campaign by powerful unions against the Government's 5 per cent limit for public service workers. Coal board negotiators indicated that £120m was available, estimated to produce 8 or 9 per cent, but miners' leaders say more must be offered to avoid a winter confrontation. It is clear that more money would be produced and union leaders confidently expect to break the double-figure barrier. Their claim if met in full could herald the appearance of the top-flight face worker earning £10,000 a year.

Israeli missile boat refloated

An Israeli missile boat which ran aground on the Saudi Arabian coast was refloated 62 hours later after Tel Aviv had warned the Saudis not to interfere. Troops on both sides of the Gulf of Aqaba were strengthened, but there was no confrontation.

Money supply fear confirmed

Poor money supply figures for September confirmed suspicions that a failure to meet financial targets was the reason that the Bank of England has not intervened to prevent higher interest rates. In the four weeks to September 16, sterling M3, the broad measure of the money supply, is estimated to have risen by about 2 per cent. But there are hopes that the higher interest rates will help to adjust the position.

US criticized at summit

The Commonwealth Heads of Government, nearing the end of their eighth day meeting in Melbourne, called for concerted efforts to break down world trade barriers and to develop new sources of energy and food. The United States was the subject of extensive criticism from Commonwealth island communities for its failure to move faster to conclude the Law of the Sea conference.

Kuwait oil bid

The Kuwait Petroleum Corporation, owned by the Kuwaiti Government, has made an agreed bid of \$2,500m (£1,350m) for Sante Fe International Corporation, which owns part of the North Sea Thistle field.

De Lorean to sue for libel

Neither the Prime Minister nor anyone else had ordered an investigation into the affairs of the De Lorean car company in Northern Ireland, Sir Ian Gervill, QC, the Solicitor General, said. Mr John De Lorean instructed lawyers to start libel proceedings against those involved in "vicious slandering".

Nuclear rebels

M. Pierre Mauroy, the French Prime Minister, is to bring his Government's nuclear rebels into line by turning the decision of the debate on energy into a vote of confidence. The opposition wants to ensure the Government on the budget deficit.

Blanket protest end in sight

There are hopes that the blanket protest at the Maze prison, Belfast, may end after the reforms announced by the Government. Republican prisoners were studying the proposals, but there has already been Catholic politicians and a protest from Protestants. Mr James Prior, giving details of the reforms, allayed fears that a flood of prisoners would be released simultaneously by the restoration of remission.

Anti-party bias of Solidarity

Elections to the national coordinating commission of Solidarity, the Polish trade union, are showing a bias against communist party members. There have also been some surprising defeats of the union's own well-known activists and victories for hitherto unknown personalities representing conflicting currents. There is also a trend against people directly identified with the solved dissident group KOR.

The Times

We apologise to readers for the omission of the first leading article and Financial Editor's page from some copies of yesterday's first edition. This was due to technical difficulties. Part Two of "The plight of Britain's youth" is held out of today's paper, owing to pressure on space.

Overseas News pages precede Home News pages in today's paper.

Leader page, 17.

Editors: On a leader for SDP, from Mr. Tyrrell Burgess and Mr. M. J. Lynch, reselecting MPs, from Mr. Frank Field, MP; Nobel Prize for Solidarity, from Professor John Hutchinson.

Leading articles: President Sadat; Mr. Heath.

Sticky: A three-page Special Report appears on pages 13-15.

Home News 6-9; Lurie cartoon 16; Overseas 3; Parliament 8; Appointments 20; Property 29; Arts 12; Science 6; Business 21-26; Sport 10, 11; TV & Radio 31; Theatre etc 11; Crossword 31; Thru the 20; Diary 16; 25 Years Ago 21; Events 32; Weather 32; Law Report 3; WWIs 20.

University results, page 9.

Williams set to fight at Crosby

From Julian Haviland, Political Editor, Bradford.

Mrs Shirley Williams brought the Social Democrats cheering to their feet at their conference yesterday when she declared that she would be willing, if invited, to fight the by-election in the solidly Conservative seat of Crosby.

But she came near to saying that she had no chance of winning. "We in this party have to scale considerable heights," she said. "We have to take impossible risks."

The Conservative majority in Crosby at the last general election was 19,272. The seat fell vacant last Thursday on the death of the member, Sir Graham Page.

On Monday Mrs Williams told her three co-leaders of the SDP, and Mr David Steel, the Liberal leader, that she wanted to have a go and they gave her their blessing. But they had no notion that she planned to declare herself so soon.

In fact Mrs Williams had little choice. Her reluctance to fight the Warrington by-election in July disappointed her friends and made her look less a potential leader than Mr Roy Jenkins, who was bold enough to try.

Now she has a chance to recover the points she lost to Mr Jenkins by coming a good second, as he did.

Last night, Mr Anthony Hill, adopted only last week as prospective Liberal candidate, said he was ready to stand down.

Another Labour MP defects

Mr David Ginsburg, the moderate Labour MP for Dewsbury, last night became the 18th Labour member to join the Social Democrats.

He said he would be happy to contest the seat for the SDP at the general election.

SDP conference, page 8.

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1918-1938
Peasant to officer
In February 1938 the peasant's son from the Nile Delta was commissioned as a second lieutenant after graduating from the Royal Egyptian Military Academy. He had been born on Christmas Day—19 years earlier in the small village of Mit Abdal-Kum, receiving his early education at a nearby Coptic school.



1939-1969: Plotter to Vice-President
As a young officer he had got to know another subaltern, Gamal Abdel Nasser (seen with him here at prayer)—left—in the holy city of Mecca, whom he described later as a "serious-minded youth who did not share his fellows' interest in



jesting". In 1939 Sadat founded a secret society of army officers called the Free Officers Organization, sworn to eject the British from Egypt by armed revolution. Later, in 1942, Nasser took over its leadership. That same year Sadat was arrested and jailed by the British for his contacts with German



spies in Cairo. In 1944 he escaped from prison and became a fugitive. Eight years later—on July 22, 1952—he, Nasser, General Neguib and others successfully overthrew King Farouk. In 1960, Sadat became Head of the Egyptian Parliament, and in 1969 Vice-President to Nasser.



1949
Marriage—and happiness
In 1949 he married for the second time. His bride was Jihan, a half-English girl living in Egypt, by whom he was to have three daughters and a son. Jihan, herself a



sophisticated, Western-oriented woman, is credited with being responsible for his elegant dress and appearance, including his British-tailored suits. He had three daughters by his first wife, all of whom married army officers.



1970: Man of Prayer
On September 28, 1970 President Nasser died of a sudden heart attack. Three weeks later Sadat, a devout Muslim, was sworn in as Egypt's



third President after nationwide elections. This picture, showing the late President at prayer at his home, was taken by his official photographer, Farouk Ibrahim,

The path to tragedy

How a peaceful day erupted in a fatal burst of gunfire

By our Foreign Staff

Anwar Sadat often surprised his enemies with his political skills and the world with the boldness of his gestures. But yesterday the elements of surprise and boldness lay with his enemies.

Dressed in full military uniform, President Sadat went to the Medinet Nasr stadium in a Cairo suburb for the sixth of October military parade.

He saluted waiting army units then mounted a podium for the march past. The vice-president, Mohammed Hosni Mubarak, and the Defence Minister General Abu Ghazala sat on either side.

As six Egyptian Air Force fighters twisted overhead in an aerobatics display, President Sadat's enemies got him in their sights as he stood on the reviewing stand during a military parade marking the eighth anniversary of Egyptian troops crossing the Suez Canal into Sinai in the 1973 war with Israel.

On the parade ground at the Medinet Nasr stadium in northern Cairo just before the president a long conveyer of sand-coloured lorries towing artillery weapons trundled by, four abreast. It was 12.40 pm.

A lorry stopped in front of the official reviewing stand, apparently with engine trouble. It finally restarted, then stopped again. Bjorn Kristvik, the Norwegian Ambassador to Egypt, said. He was on the reviewing stand with many of the Cairo diplomatic community.

An officer then got out of the lorry and threw a grenade or two in the direction of the Egyptian president. Soldiers in the rear of the truck then fired at the stand and the presidential guard immediately returned fire.

In five seconds everything was panic, as platform dignitaries dived for cover.

Mr James Tully, the Irish Defence Minister, tried to edge back off the platform but Mr Sadat's slumped body prevented him. "I kept moving back but couldn't move because Mr Sadat's body was behind me. I didn't see him being hit but I saw blood on his face."

Confusion and panic broke out among the thousands of spectators near the reviewing stand, with people fleeing in all directions. In the background the armoured vehicles, many of which were knocked down and some were reported crushed under the wheels of 30-ton anti-aircraft missile transporters. The parade ended in chaos with screaming ambulances trying to get through the stampeding crowds to the injured.

Troops with automatic rifles and drawn bayonets tried to shepherd the hysterical crowd but in the disorder at the stadium, which can hold 100,000 soldiers with the safety catches off their guns trampled on wreaths, which Mr Sadat had placed less than two hours earlier.

As the gunfight died down General Abu Ghazala, blood trickling from his left temple, stood up in the President's dais and began issuing orders. A few feet from the fallen Mr Sadat, Mr Tully picked a piece of shrapnel the size of a 10p piece from his mouth as soldiers acting on General Ghazala's orders bawled away some of the attackers. One was dragged off to a lorry where he was beaten.

Mr Sadat, who was reported hit in the shoulder and arm, was lifted out of the area in a helicopter along with the Vice-President and the Defence Minister.

forces and anti-riot police deployed, but there were no troop movements.

Mr Sadat was sitting on the reviewing stand beside Vice-President Hosni Mubarak and Muhammad Abdel-Elatim, the Egyptian Defence Minister, when the first two grenades exploded and the armed group jumped out of its vehicle and charged the reviewing stand.

More grenades exploded as the politicians and diplomats threw themselves to the floor. The heaviest fire from the attackers' Kalashnikov sub-machine guns appeared to hit the seats behind the presidential dais where blood stains soon covered the carpet.

Two soldiers fell in the gunfire, but in the confusion it was unclear whether they were also involved in the attack. Several others fled towards a hill near by chased by other troops, while below the reviewing stand guards waving pistols and machine guns scuffled with some of the attackers and occasional shots went off in the scramble.

Mr Alfred Atherton, the American Ambassador, who was standing near Mr Sadat, saw six people in Egyptian military uniforms—a major, a lieutenant and four soldiers—shoot at an artillery unit involved in the assassination attempt.

Cairo radio and television broadcasts of the parade stopped with the attack, though on radio, 45 seconds of gunfire were heard along with screaming voices.

At 6.25 pm (17.25 BST) radio and television began broadcasting verses from the Koran, apparently aimed at preparing the public for an announcement of Sadat's death, which occurred about 2.15 pm (13.15 BST), about two hours after he was hit.

He repeatedly outlined the broad details of a comprehensive conspiracy to overthrow him, which most Western observers said could not be proved. The common factor, which united internal and external opponents to the President was the peace treaty with Israel which he had done so much to bring about.

Although there were no signs in Egypt of mass disapproval, elements of the treaty were under constant attack from the left-wing and Muslim right-wingers. Islamic speakers were particularly incensed that any agreement should have been signed which left the Muslim holy places of East Jerusalem under Israeli control.

Among the disparate Camp David critics who were jailed at the early stages of the purge were the journalist Mr Muhammad Heikal and the blind preacher, Shaikh al-Khishk. Although the clamp-down was followed by sporadic rioting after Friday prayers, heavy

security prevented widespread street violence.

Opposition among Egyptian intellectuals (including a number of professional associations) who refused to have any contact with Israeli counterparts) was matched by a growing isolation in the Arab world. President Sadat repeatedly accused radical Arab leaders, such as Colonel Gaddafi of Libya, of secretly financing opposition to his regime.

President Sadat's failure to secure concessions from Israel over the issue of Palestinian autonomy ensured that Egypt's prospects were poor for a return in the Arab fold. In Israel, much political credit was given Mr Sadat for his determination in the face of Arab criticism.

Last month, foreign observers, mystified by the extent to which the President appeared to be prepared to jettison his world image by the purge, speculated that a secret plot might have been uncovered in the 300,000-strong Army. There was also speculation that Muslim right-wingers may have infiltrated the Army and plotted an uprising against the President.

inside Egypt there was no obvious successor with the stature or the determination to carry on successfully with the Camp David peace movement.

International concern about the stability of the President's 10-year regime intensified early last month when he launched a draconian purge of religious and political critics. Some 1,600 Egyptians have been detained. The clamp-down was regarded as more severe than that imposed after food riots in January, 1977.

Although senior Western diplomats in Cairo voiced concern at the rapid growth of Islamic fundamentalism in Egypt there was a genuine feeling at the time that the President had become over-sensitive to criticism and may have over-reacted.

Observers at one Western embassy warned their governments that the main danger of a purge could be the rise of a disparate opposition, elements and a possible driving of critics into more militant, underground opposition.

"Without a proper safety-valve, there is a frightening possibility that opponents of a president may turn to the gun or the bomb," a diplomat said last month.

At the time of the purge—which was quickly followed by a mass expulsion of Russian diplomats and technicians who had allegedly been involved in subversion—the Egyptian press printed a number of well-orchestrated stories about the uncovering of Soviet-inspired plots against the President.

In a number of long speeches broadcast live on television, President Sadat lumped together right and left-wing politicians and accused them of attempting to whip up discontent between Egyptian Christians and Muslim fundamentalists.

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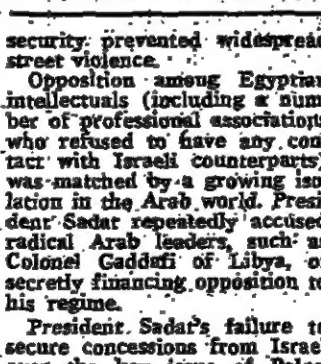
In 1971 President Sadat visited Moscow where he was met by Mr Kosygin (centre) and Mr Brezhnev.



It is 1973: President Sadat and President Gaddafi agree to merge Egypt and Libya into one state.



A quiet word: President Sadat and Mr Yassir Arafat, leader of the PLO, confer in friendlier days.



Western intelligence circles in Cairo rejected the speculation. Their investigation showed the President had kept a check on the loyalty of the armed forces, swiftly removing officers suspected of opposing him or the peace with Israel.

The assessment of overall loyalty to the Army was the main reason why Western governments did not display more concern last month about Egyptian instability.

The purge of critics as varied as the Coptic Pope, Shenuouda III and Mr Muhammad Helmi Murad, leader of the tiny Socialist Labour Party, reflected the breadth of opposition to President Sadat at home. There was little indication that it had depth. Among the mass of Egypt's 40 million people the President remained a popular father-figure, whose rule was systematically assisted by large subsidies on all basic commodities.

Although Western observers had doubts about last month's referendum, which produced the 99.45 vote supporting the crackdown, none doubted that it reflected general opinion in the country.



Scene of turmoil after the shooting in Cairo yesterday.

The path to peace

Sinai handover is first new test of Camp David

By Richard Owen

"After four wars during thirty years, despite intensive humane efforts, the Middle East—this is their cradle of civilization and the birthplace of three great religions—does not yet enjoy the blessings of peace."

Whatever direction is now taken by new leaders in Cairo, the drive towards peace exemplified by the opening sentences of Camp David seems likely to survive the death of the agreement's main architect.

Although President Sadat's rapprochement with Israel in November 1977 was partly prompted by his need to demonstrate a foreign policy success at a time when he was facing domestic discontent, there can be no doubt that his weariness of perpetual conflict with the Israelis was genuine, and was shared by a majority of Egyptians.

It is often forgotten that the ten months which passed between President Sadat's visit to Jerusalem and the Camp David summit in September 1978 were fraught with difficulty, and it required both vision and determination to produce the peace treaty which was finally signed in Washington on 29 March 1979.

The most important, and perhaps the most enduring, aspect of this achievement was that it formally acknowledged for the first time the legitimacy of the state of Israel. The significance for Israelis of the readiness of a powerful Arab country to recognize their right to exist, can scarcely be over-estimated.

Arab critics of Camp David oppose the treaty precisely on the grounds that it legitimizes the presence in the Middle East of an alien body-occupying land, which belongs by right to Palestinian Arabs. For most Israelis, however, and for many Egyptians, the over-riding factor has been relief at being able to begin dismantling long standing barriers of suspicion and fear.

As a bilateral treaty between Egypt and Israel, Camp David was an initial success, not least on the emotional and psychological level. The sight of an Israeli Embassy flag in a Cairo street or of Egyptian tourists in Jerusalem was an electrifying breakthrough.

Two years on, the excitement has died down, and initial expectations have not been altogether fulfilled. Trade between Israel and Egypt has failed to develop, partly due to the differing nature of the two economies, and partly due to natural Egyptian wariness of arrangements under which

Israel might provide skill and technology, with Egypt providing mainly labour.

Moreover the Israeli-Egyptian relationship has until now been exemplified by—and to some extent has even depended on—the personal relationship between President Sadat and Mr Begin, the Israeli Prime Minister, to whom the Egyptian leader consistently referred as "my good friend Menachem".

It must now be questionable to what extent the new leadership in Cairo under Mr Mubarak, the vice-president, will be able to establish a rapport of this kind, and even to what extent it will wish to do so.

But to what extent can Camp David survive as a framework for a comprehensive peace in the region? It has not yet fulfilled the hope of the preamble that "the vast human and natural resources of the region can be turned to the pursuits of peace" and that the area might become "a model for co-operation among nations".

The original "Framework for Peace in the Middle East" envisaged moves toward a "resolution of the Palestinian problem in all its aspects" with negotiations involving not only Israel and Egypt but also Jordan and "representatives of Palestinian people". Jordan however has from the start played no inclination to join in, and indeed rejects, the inclusion in a document to which it was not a party.

Equally there is no prospect of an agreement on who is to represent the Palestinian people, nor on how they should be chosen. The only organized body claiming to represent the Palestinians, the Palestine Liberation Organization, remains incompatible to the Israelis and the Americans, and possibly, though President Sadat's views were ambiguous on this point—to the Egyptians as well.

The PLO has not in any case shown any willingness to take part in a process which it regards as a betrayal of the Palestinian cause, an attitude shared by a number of more radical Arab governments in plots against the President.

The "Palestinian autonomy" envisaged by Camp David on the West Bank and Gaza Strip after a transitional period "not exceeding five years" has thereupon "self-governing authority" never taken on the semblance of life. Egypt and Israel have been unable to agree on the form the proposed Camp David "self-governing authority" might take, with

Egypt insisting on an elected body with full legislative, judicial and executive functions, while Israel prefers a much less vaunted institution with essentially municipal powers.

Israeli subtleties and inflexibility on this question has more than anything thrown doubt on the validity of Camp David as a framework for a wider peace. The systematic expansion by the Begin Government of Jewish settlements on the West Bank, in defiance of the spirit of not the letter of Camp David, caused President Sadat grave embarrassment, as did repeated repressive actions by the Israeli military authorities in the occupied territories.

The passing of a law by the Knesset making Jerusalem the "undivided and indivisible capital" of Israel was a further blow, since although the status of Jerusalem in the remaining portions of the Sinai Peninsula is discussed in Camp David it is necessarily bound up with the fate of the Palestinians on the West Bank.

President Sadat's death comes just as the autonomy talks were about to be revived, for the first time since they were broken off in May 1980. Some hope of movement had arisen following proposals by the new Israeli Defence Minister, Ariel Sharon, for a primarily civilian administration on the West Bank, with the military authorities there adopting a low profile.

Under the Sharon plan, Palestinian Arabs willing to cooperate with the Israelis would occupy senior positions in a new administrative network, in which "village councils" would play a key role. The fact that this scheme was greeted with alarm by more radical Palestinian leaders—one of whom described it as a "Camp David plot"—suggests that it might be the basis for renewed movement toward autonomy.

On the other hand, the uncertainty following the assassination of President Sadat may well put this in doubt for the time being. It may even put in doubt the transfer by Israel to Egypt of the remaining portions of the Sinai Peninsula, due to take place in April 1982, a move which is already threatened by the opposition of Jewish settlers in North-Eastern Sinai.

The ability of the Begin Government, and the new leadership in Cairo to maintain the timetables for the Sinai handover will be a test of their willingness at least to keep the Camp David process alive, if not to fulfil its original hopes.

Four violent plots that failed

Grim calendar of deaths

President Sadat had been the target of several plots since coming to power in 1970.

On October 12, 1972, according to a Lebanese newspaper, shots were fired near the Al Hussein Mosque in a modern Cairo suburb in an attempt to overthrow the Government. The Egyptian Government denied the incident had occurred.

In April, 1980, an aircraft flying Mr Sadat to the United States was diverted from a stopover in Portugal following rumours that Libyan commandos were waiting there. The aircraft landed instead in Britain. The incident, too, was denied by the Egyptian Government. On April 30, this year, the Cairo press reported the arrest at Cairo airport of a Palestinian from Gaza, carrying explosives he supposedly was to detonate during a Sadat speech on May 1.

In August, after Mr Sadat had cancelled a visit to Austria without official explanation, Time magazine suggested there had been an assassination plot. But today's shooting is the first public attempt to kill an Egyptian President since a young dynamite fired five shots at Colonel Nasser as he was

addressing a rally in Alexandria in 1954. The plot missed.

Some 40 heads of state and government have died in that way since the Second World War and dozens have survived attempts on their lives.

This year, President Zia-ur-Rahman of Bangladesh was shot dead in May, numerous leaders of Iran have met violent deaths and both President Reagan and the Pope have been wounded in assassination attempts.

The Middle East has in recent years seen dozens of assassinations of monarchs, political figures and guerrilla leaders. President Sadat's predecessor, President Nasser, survived an attempt on his life in Alexandria in 1954.

Dec 28, 1948: Mahmoud Nekreshy Pasha, the Egyptian Prime Minister, assassinated in Cairo.

Nov 22, 1963: President Kennedy shot dead in Dallas, Texas.

Sept 6, 1966: Hendrik Verwoerd, the South African Prime Minister, stabbed to death in Cape Town.

April 4, 1968: The Rev Martin Luther King, the American civil rights leader, who won the Nobel Peace Prize in 1964, shot dead in Memphis, Tennessee.

June 5, 1968: Senator Robert Kennedy, brother of President Kennedy, shot dead in Los Angeles.

Dec 20, 1973: Admiral Luis Carrero Blanco, the Spanish Prime Minister, killed by a bomb in Madrid.

March 25, King Faisal of Saudi Arabia shot dead by his nephew.

Aug 27, 1980: Earl Mountbatten of Burma killed by a bomb in his boat during a fishing trip in Ireland.

May 30, 1981: President Zia-ur-Rahman of Bangladesh shot dead during an abortive coup attempt.

Aug 29, 1981: President Muhammad Ali Rajat of Iran, and Mohammed Javad-Bahonar, the Prime Minister, killed by a bomb in Tehran—Reuters.



On May 27, 1971, Sadat signed a friendship treaty with the Soviet Union, despite his joining of a pro-Soviet group in the Government. Then dramatically on July 18, 1972, he expelled 17,000 Soviet advisers from

Egypt. It was the prelude to the Yom Kippur war of October 1973. Sadat—seen above at the Suez front—launched a new war with Israel that resulted in the recovery of part of the Sinai. For peace Sadat turned not

to his former allies, the Soviet but the United States. On September 17, 1975, he signed his second United States-sponsored agreement with Israel on the disengagement of the armed forces in the Israeli-occupied

peninsula. On March 15, 1976, he abrogated the Egyptian-Soviet friendship treaty which he had signed five years before.

In October 1976—Sadat became the first Egyptian

president to visit the United States, where he meets Carter. In July 1977—he launched a two-week border war against neighbouring Libya, having declared his intention to fight Soviet penetration in Africa. The

world was stunned by his famous gesture of November 1921, 1977—when he visited Israeli-occupied Jerusalem and announced he would agree to normal relations with Israel within the framework of an overall Arab-

Israeli peace settlement. In September 1978 (above)—he negotiated with President Carter at the United States presidential retreat at Camp David, Maryland, and with Premier Begin of Israel.

They signed the Camp David agreement, a blueprint for peace in the Middle East. The move evoked the opposition of almost the entire Arab world and resulted in the Arab boycott of Egypt.

Anguish in Israel, hard-line Arabs jubilant

By Our Foreign Staff

The assassination of President Sadat prompted an immediate wave of political and personal anguish throughout Israel today as Jews from every level of society tried to assess its effect on the future of the still-fragile Camp David peace process.

While Mr Menachem Begin, the Prime Minister, summoned senior ministers for an emergency meeting at his Jerusalem home, many ordinary Israeli citizens were expressing grief and deep concern about the implications for peace. Groups could be seen in the streets huddled anxiously around transistor radios.

The extent of the personal sadness and obvious stress caused to Israelis by the brutal murder was evidence of the significance of his personal role in bringing about and maintaining peace.

Mr Menachem Begin, Israel's Prime Minister, followed the Cairo drama from his residence, listening to frequent news closely and was expected to make an official statement later.

Mr Moshe Dayan, Israel's former Defence Minister (speaking before he knew of the death): "The first news did not surprise me. It has to be taken into account that Sadat has problems and was appearing on a public podium. I don't expect any different external policies from Egypt."

Mr Yosef Burg, Israel's Interior Minister and chief negotiator on Palestinian autonomy: "It proves that those who hate peace still exist."

Mr Yitzhak Rabin, Israeli former Prime Minister: "The incident put the continuation of the peace process under question."

Opponents of Israel's withdrawal from the Sinai peninsula set for April 1982 said the shooting was grounds for freezing the pull-back.

Extrême right-wing Israelis opposed to Camp David were quick to seize on the incident as ammunition for their pressure on the government to refuse the return of the remainder of the Sinai. But their arguments were sharply rebutted by an Israeli minister.

The campaign to delay Sinai withdrawal has been gaining considerable support in recent months. Tonight there appeared no doubt that it will now receive a new boost as the organizers of the largest exodus of Israeli soldiers from the Sinai since April 1982—the target set for the handover.

The Government has failed to decide how to deal with illegal squatters who recently moved back into the Sinai to forestall the handover. Diplomatic observers have noted that although the protesters represent only a minority, fears for the future were widespread even before today's attack.

One Israeli who called immediately for a delay in the withdrawal was Professor Yuval Neeman, the nuclear scientist

who heads the right-wing Tabaqui party which has three Knesset members all bitterly opposed to Camp David.

Dr Henry Kissinger, former Secretary of State: "He leaves a void that is not easy to describe because it is not easy to imagine the alternative. Sadat almost single-handedly moved his country from reliance on the Soviet Union to friendship with the United States. Alone among the Arab leaders he was willing to face the prospect of peace with Israel and took the trip to Jerusalem."

"The essence of Sadat in my acquaintance with him was his courage in going to the heart of a problem and to ignore the minor calculations with which most statesmen occupy themselves. Therefore it is hard to imagine anyone else playing that role."

"So for us now we are losing a major force for moderation in the Middle East... It will require a new look at our Middle East policy and a greater sense of urgency than was the case when we could rely on some local leadership. It is not trivial for our national security, to put it mildly. There is no doubt that it will affect our security. Israel's perception of its security, the Saudi perception of their security."

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US criticized in Melbourne over law of sea delay

From David Watts, Melbourne, Oct 6

The leaders of the Commonwealth today put the final touches on their communiqué and called for concerted efforts to break down trade barriers and develop energy and sources of food.

But the final stages of drafting were not without last-minute snags. Grenada and the Seychelles delayed and succeeded in watering down those parts referring to Poland, Afghanistan and Cambodia.

The United States came in for extensive criticism from Commonwealth islands and island communities on which much of today's debate centred, for its failure to move faster to conclude the Law of the Sea conference.

The islands are particularly concerned because Washington's delaying tactics are preventing them from exploiting the mineral deposits on the sea beds around them.

Mr Ezekiel Alebu, the Foreign Minister of the Solomon Islands said it was difficult not to see in the act of a superpower selfishly defending its interests against

the mutual interests of other countries.

It is expected that tomorrow's final communiqué will contain a strong call for the resumption of the Law of the Sea negotiations because marine resources, particularly fisheries and minerals, are the key to the economic viability of a large number of the Commonwealth's developing countries.

Mrs Margaret Thatcher gave up her right to address the meeting on economic matters today saying that it was more important to have the views of the smaller countries heard. In notes prepared for her address, Mrs Thatcher emphasized Britain's opposition to protectionism, supported an energy affiliate of the World Bank and looked forward to results from the coming North-South summit at Cancun, Mexico, which would benefit all countries, not some at the expense of others.

Canada and Australia announced schemes to help in the development of agriculture and the sea bed as sources of food.

Rumours fuel doubts on Fraser leadership

From Douglas Aiton, Melbourne, Oct 6

Despite attention focusing on the Commonwealth Heads of Government meeting here there is still trouble within the Australian Liberal Party over the leadership. Such has been the growth of rumours that Mr John Howard, the Treasurer yesterday declared his complete support for Mr Malcolm Fraser as Prime Minister.

There are two main reasons for speculation that Mr Fraser might lose the leadership: his health continues to be the subject of considerable debate, and Mr Andrew Peacock, the former Foreign Minister, seems to be quietly planning a campaign but is perhaps waiting for the right moment. Mr Peacock resigned last April saying that he could no longer work with Mr Fraser.

Mr Fraser's health has become a serious matter because not only has he been forced to take time off recently, but he simply does not look well. It has become a popular exercise for newspapers to publish pictures of him six years ago when he became Prime Minister alongside more recent pictures. He has aged considerably.

The irony is that at a time when Mr Fraser is struggling across some of his finest

moments on the international stage he looks unwell, and his grasp on the leadership has never been so shaky.

It is a further irony that he has won two elections with record majorities and the third extremely comfortably, making him the most successful election winner in Australian history. Yet there is now talk of him losing office.

One of the reasons for this is that Mr Fraser has never been a popular figure within the Liberal Party and has made many enemies. But most of his colleagues recognize his remarkable ability to win elections handsomely, and doubt that anyone else can do so with the possible exception of Mr Peacock.

Mr Fraser has suffered twice from pneumonia since he became Prime Minister and had to take three weeks off just before the Commonwealth meeting because of an infection.

Meanwhile, Mr Peacock is still busy making speeches around the country and affecting surprise when asked if he intends to stand for the leadership.

Mr Howard found it necessary to add to his support for Mr Fraser a specific denial of a suggestion that he would join Mr Peacock in a leadership challenge.

PLEDGE OF ELECTIONS IN GRENADA

From Our Own Correspondent, Melbourne, Oct 6

Grenada may have its first elections since the revolution next year according to Mr Maurice Bishop, the Prime Minister, who told a press conference that elections scheduled for 1982 would be held after public approval of a new constitution. The Prime Minister said, he could not give an exact date for the polls but that "certain processes have been set in motion".

Mr Bishop said that the problems of the Caribbean countries could be seen with a greater degree of clarity since the victory of President Reagan, and an unprecedented convergence of right-wing opinion in the United States.

It was not only poor countries in the Third World which were threatened by the right-wing coalition, but allies of the United States in Europe. He cited what he called attempts by the United States to dictate which ministers must join the French Cabinet.

The depth of United States' hostility could be judged by the fact that in military manoeuvres last August American forces had staged a simulated invasion of Grenada by flying forces from California to an island off Puerto Rico.

Further, the Admiral in command of the exercise had indicated that the target country was a small Caribbean island with an army of about 2,000. The American estimate of the size of his island's armed forces.

KEKKONEN SICK LEAVE EXTENDED

Helsinki, Oct 6. — President Urho Kekkonen's medical leave was extended today until November 10. (Our Correspondent writes).

His sick leave, which began on September 11, was due to end on October 10. It is clear that President Kekkonen, who is 81, is permanently unable to resume his duties. He suffers from brain disorders.

The extension was also needed to give political parties more time to prepare for presidential elections and to avoid a poll in the middle of the Christmas season.

Saudis let Israel retrieve missile boat

From Moshe Brilliant, Tel Aviv, Oct 6

The Israeli Government confirmed today that one of its missile boats ran aground on the Saudi Arabian coast early on September 24 and was retrieved 62 hours later without interference from Saudi armed forces.

Saudi and Israeli troops in the area surrounding the 11-mile wide Gulf of Aqaba were strengthened but there was no confrontation. Mr Ariel Sharon, the Israeli Defence Minister, told the Saudis through the United States embassies in Tel Aviv and Riyadh that the vessel had accidentally struck a sandbank.

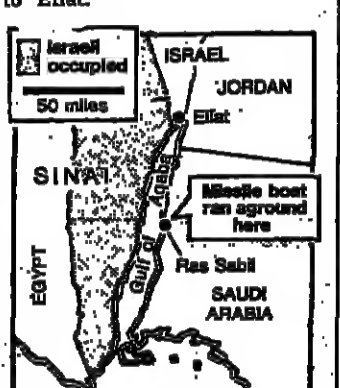
Accredited Israeli military correspondents received details of the incident from Mr Sharon but were not permitted to publish them. A reporter who attended the briefing said today the Saudis had requested that their response should be kept confidential so as not to embarrass them in the Arab world. The chief censor said today the boat had been solely on security grounds and that the reason was "obvious".

The boat was lifted after the story broke last night in the United States. The Israeli media accused American officials of leaking the report as part of a campaign to depict the Saudis as reasonable during the current dispute over the proposed sale of American Awacs radar aircraft to Riyadh.

The missile boat had been on its way to Eilat, the Israeli port at the head of the Gulf of Aqaba, from Haifa. It had passed through the Suez Canal and was halfway up the gulf of Aqaba in the darkness when it lost direction and speed.

The accident was provisionally attributed to malfunctioning of the electronic system which affected the radar and directional finding equipment.

Gabriel missile launchers and other heavy equipment were unloaded to lighten the vessel. Coral reefs in the vicinity of the rescue operation but tugboats and naval craft towed the ship to deeper waters and then to Eilat.



CHINA VETO HITS INDIA

From Our Correspondent, Delhi, Oct 6

A delegation of a parliamentary forum for family planning, scheduled to leave for China later this month, may have to abandon the trip because of Peking's objection to the inclusion in the delegation of the Speaker of the Arunachal Pradesh, the erstwhile North-East Frontier bordering China.

In October, 1962, India and China went to war in a dispute over portions of the territory. Since then their relations have been far from friendly.

China is reported to have asked India not to include the Speaker in the delegation, but India has so far stood firm on this point, arguing that Arunachal Pradesh is part of it.

The family planning forum's delegation has 23 members, mostly from both Houses of Parliament. They are to study Chinese methods of family planning.

Mauroy puts left-wing nuclear rebels to test

From Charles Hargrove, Paris, Oct 6

The ambitious nuclear programme of the Giscard regime has caused an immense amount of controversy within the Socialist Government.

In an effort to make rebels toe the line on the Government's energy programme M. Pierre Mauroy, the Prime Minister, will make its adoption a matter of confidence at the end of the two-day debate on the subject.

This means that the Government's programme will be carried without a voteless if it is defeated by a motion of censure.

The procedure allows the Socialist deputies to vent their ecological and environmental objections while bowing to the inevitable.

It also enables M. Mauroy, without damage to his programme, to keep the promise he made when he took office, that the Socialist Government would not resort to what it regards as the detestable practices of its predecessors, and was respectful of parliamentary opinion.

The Giscardian opposition has, however, called on the Assembly to censure the Government, not on its nuclear programme, but on the 1982 budget deficit, increased taxation and nationalizations.

It is bound to be lost, but is part of the harassing tactics it is determined to keep up against the increasing socialization of French society.

When the debate opened, the ecological rearguard in the Socialist Party could derive only



Mr Bob Astles, the British-born aide of Idi Amin, the former Ugandan leader, being escorted to Kampala High Court on Monday, for what was to have been the start of his trial for murder. The hearing was adjourned for a week.

Solidarity shows anti-party bias

From Dossa Trevisan and Denis Taylor, Gdansk, Oct 6

Elections to the national coordinating commission of Solidarity, the independent trade union, are showing a strong bias against members and former members of the Polish Communist Party.

Nothing is ever simple and clear-cut in present-day Poland and this is why no hard and fast conclusions can be drawn from the results. There have been some surprising defeats of well-known activists and victories of hitherto unknown personalities representing conflicting currents.

The bias against past and present members of the party contrasts with the fact that some of them have enjoyed complete trust in their regions. A conspicuous figure who failed to be elected is Mr Ryszard Sewicki from the mining area of Silesia. The only party member still in the running after the second ballot was Mr Bogdan Lis, the leading Solidarity activist from Gdansk.

Another trend has been that against people acting as experts and advisers to the union, the major automobile defects being those of Professor Bronislaw Geremek and Mr Ryszard Bugaj. Both are moderates who have exerted a strong influence, especially in drafting the union's programme.

A third current is that against people directly identified with the dissident KOR group. Thus Mr Boguslaw Sonik, who read the resolution on the dissolution of KOR was not elected. But three KOR activists, Mr Andrzej Gwiazda, Mr Henryk Wujec and Mr Karol Modzelewski were chosen.

Like the Communist party congress in July, Solidarity's first national congress, now in the eleventh day of its second stage, has done little to answer the immense problems facing Poland. With no clear agenda, and with days of debating time lost through the delegates' intense preoccupation with the sudden announcement last Saturday of steep increases in cigarette prices, the congress has lost any semblance of coherence.

The Government's timing is regarded here as a provocation and an attempt to sidetrack the real issues. But it has hardened the tone of the congress and given new arguments to the radicals.

At the same time, the insistence on an exhaustive examination of detailed points, and healthy suspicion of manipulation, have revealed a level of democratic awareness striking in a society where more than 30 years the only

political model has been the Communist system.

They have shown political sense in reelecting Mr Lech Walesa as the union's chairman, despite the dominant radical mood of the congress. But having done so they have curbed his powers and the authorities, who were hoping that his election meant the reinforcing of the centre, may now find themselves negotiating with a tougher partner.

Mr Walesa's hold on Solidarity is no longer what it was before the congress. The militants have been laying at his door the disappointment of the rank and file over the compromise agreements reached with the Government.

Given his personal popularity in the country, his leadership remains indispensable, but the congress, which is now entering its final stages, has set limits to his authority.

Official anxiety over the way the congress is developing is reflected in the party newspaper *Trybuna Ludu* today. It says that the Solidarity leadership failed to draw the necessary lessons from the first stage of the congress. This was therefore giving rise to disquiet and sincere concern for the future development of political relations in the country.

Talks begin on Africa ocean pact

From Our Correspondent, Nairobi, Oct 6

A group of international experts begin consultations here this week to prepare for an environmental treaty covering Eastern Africa and the eastern Indian Ocean area.

It is hoped that by 1983, a plan will be adopted for this area on lines similar to those concluded for Gulf, the Mediterranean, the Gulf of Guinea and other areas.

Dr. Stjepan Kekic, the Director of the United Nations environment programme, who is accompanying the seven-member mission, said the team would visit all the states in the area, from Somalia to Madagascar and Mozambique. A meeting of representatives of all these countries would be called and proposals for anti-pollution and other measures would be drawn up.

Dr. Kekic said soil carried by some African rivers was polluting the ocean and there are places where untreated sewage is discharged into the sea. Oil pollution from passing tankers is not the most serious issue here, he said, but it will be taken into account.

Norway's future Cabinet get to know each other

From John Ausland, Oslo, Oct 6

The group of people who will soon govern Norway met to get to know each other for the first time today.

Since the Labour Government headed by Mrs Gro Harlem Brundtland will continue to govern until October 12, the meeting of Mr Kaare Willoch and his future cabinet was mainly an opportunity for those who did not know each other to get acquainted.

Mr Willoch's task of forming a government has been complicated as he could draw only on his own Conservative Party. His efforts to form a coalition government with the Christian Peoples Party and the Centre Party (Farmers) failed.

Had the Norwegian cabinet not permitted him to go outside the Storting (Parliament) in his search for ministers, he would have found difficulty in forming a government.

The most of Finance Minister will be held by Mr Rolf

Prestrhus, aged 45, a lawyer and deputy chairman of the finance committee in the last Parliament.

The Foreign Minister will be Mr Svein Stray, aged 59, who held this post for a brief time in 1970 and 1971. There has been some criticism of this appointment, on the grounds that Mr Stray's previous performance was lackluster.

The appointment of Mr Vidkun Quisling, aged 60, as Oil and Energy Minister, created a mild sensation. Mr Quisling was director of the Norwegian water power and electricity board until 1975, when he resigned in protest against the Labour Government's energy policy.

The appointment of Mr Anders Slagstad, aged 38, as Defence Minister, is the real surprise. After narrowly failing to be elected on September 14, he has been catapulted into the Cabinet.

Danes battle for jobs

From Christopher Follet, Copenhagen, Oct 6

Mr Anker Jorgensen, the Danish Prime Minister, opening a new session of the Folketing (parliament) today outlined a programme of legislation, dominated by measures to combat unemployment, now approaching record post-war figures of 9 per cent.

Emphasising the need for investments in new jobs, particularly for youth, Mr Jorgensen said that his Social Democratic minority Government was still looking at the introduction of a scheme to generate cheap capital for industry and agriculture.

Disagreement between the Government and its three coalition support parties over a plan to levy a 40 per cent tax

on the interest earned by pension funds and insurance companies, has led to a certain amount of speculation about elections being called this autumn, two years before the Government's four-year term expires.

While expressing concern about Denmark's record state deficit of 40,000 kroner (£3,000m), Mr Jorgensen, bolstered by predictions of a recovery for the Danish economy next year, did not introduce fresh economic measures or tax increases.

Other legislation announced included increases in state taxation of revenues accrued by companies from Denmark's North Sea oil and gas fields.

Korchnoi insults Karpov

Merano, Italy, Oct 6. — When the Soviet Grandmaster Viktor Korchnoi forced his opponent, Anatoly Karpov, the Soviet world champion, to concede a draw in the third game of their world chess championship, he not only broke their agreement never to speak directly to each other, he also used the most derogatory Soviet form of address: "Citizen".

It occurred in the thirty-ninth move when Korchnoi's opponent, playing black, suddenly addressed him in Russian, saying: "I propose a draw".

Since the two politically estranged players had arranged that no words should pass between them except through the umpire, Karpov's remark took Korchnoi by surprise. Korchnoi turned pale, got to his feet, and began striding up and down the platform. Finally he went up to Karpov and said stolidly: "Citizen, you should speak to the umpire".

The term "citizen" in Soviet Russian usage is a form of address employed only with those who have forfeited the right to be addressed as "comrade" — defendants in court, convicted prisoners, and so on. Its use, therefore, amounted to an open insult.

Apparently it was also a firm rejection of what might have been taken as a move by Karpov to break the ice between them — a state of bitter hostility dating from their stormy world championship in the Philippines in 1978, when Karpov won 6-5 after 21 draws. — AFP.

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Thailand policy on Vietnam

From Neil Kelly, Bangkok, Oct 6

Opposition is growing among politicians and the army in Thailand to the Government's policy of confrontation with Vietnam over Cambodia.

The critics complain that it is time for Thailand to show a readiness to compromise in its dealings with the Hanoi Government.

Views of General Kringsak Chomanan, a former Prime Minister, are typical of the new thinking. "All parties involved in the Cambodian problem, the Western world, the Communist world, the Third World, should come together to talk", he says. "A negotiated settlement is possible. Confrontation is wrong and increases distrust".

The General pressed this idea at a recent parliamentary by-election which he won with an overwhelming majority.

Many influential Thais hold the view that their Government is obstinate in refusing direct talks with Vietnam and by insisting that negotiations on Cambodia must take the form of an international conference involving 20 or more governments.

Mr Bichai Rattakul, a former Foreign Minister favours a small conference of the three Indochinese states and members of the Association of South-East Asian Nations (Asean). That is what Vietnam wants too.

"The threat to Thailand will die out when Vietnam pulls its troops out of Cambodia," says Mr Bichai. "I believe Vietnam will do so if Thailand stops helping the Khmer Rouge and other anti-Vietnamese resistance groups."

These views are shared by some senior army officers, including many of those involved in last April's abortive coup against the Thaksin Government. It was clear then that a new approach to Vietnam had a great deal of public support.

A recent Bangkok seminar attended by Thai academics and a senior official of the Hanoi Government, urged the Thai Government to rethink its Cambodian policy.

The conference condemned "the futility of the free world's military-orientated approach" to the Cambodian problem as well as the Bangkok-Peking strategy of grinding Vietnam down with relentless economic and political pressure.

Policy reappraisals elsewhere in Asean and in Japan have influenced Thai thinking. Suspicions about China's long-term intentions are being voiced throughout South-East Asia. Reports that Peking is urging Thailand to permit Cambodian resistance groups to establish a military headquarters on Thai territory cause particular alarm. Bangkok: Vietnam today accused the United States of spraying more than 100,000 tonnes of toxic chemicals on southern Vietnam during the Indo-China war.

The Vietnam News Agency monitored here, said the chemicals stripped more than two million hectares of forest. — AP.

Two Namibias proposed for blacks and whites

From Michael Hornsby, Johannesburg, Oct 6

A leading white politician in Namibia today called for the territory to be divided into two separate constitutional entities, one run by whites and the other by blacks, which could be linked later in a confederation.

The proposal was made by Mr Keesie Pretorius, the leader of the National Party, which enjoys the support of the majority of Namibia's whites (mainly Afrikaners), who account for only 11.3 per cent of the territory's total population.

Mr Pretorius offered his scheme as a viable national alternative to the proposals currently being put out by the Western powers for an internationally acceptable settlement in Namibia, which he maintained, could lead to chaos.

We are opposed in principle to the notion of a one-man, one-vote government on the basis of universal franchise," he declared, adding that United Nations Resolution 435, which provides for such elections, had already been modified.

He said it could no longer be considered a basis for Namibia's independence.

Under Mr Pretorius's scheme, the core of the black constitutional unit would be the lands in the northern part of Namibia occupied by the Ovambo, who account for 46.7 per cent of

IN BRIEF

Dutch aircraft crashes: 17 die

Amsterdam. — All 17 people on board a Dutch aircraft were killed when it crashed south of Rotterdam yesterday.

A spokesman from KLM Royal Dutch Airlines said the cause of the crash was not yet known, but eyewitnesses said the aircraft exploded in mid-air after being struck by lightning.

More air traffic men needed

Washington. — The Federal Aviation Authority has asked for another 400 military air controllers to help replace members of the Professional Air Traffic Control Organization who were dismissed two months ago for taking part in an illegal strike.

This request would bring to 1,200 the total number of controllers seconded to the FAA from the armed services. Nearly 12,000 out of a total of 17,000 controllers were sacked.

Cleaned out

Johannesburg. — A thief took \$21.4m (12m) in negotiable securities from the back of a messenger's motor cycle. The messenger was on his way to the police.

Police kill 10

Delhi. — All 10 members of a gang responsible for more than 50 killings were shot dead in gun battles with police in the north-eastern Indian state of Bihar.

Manager defects

Klagenfurt. — The trainer of the Romanian national boxing team, Mr Karol Mencez, aged 40, has applied for political asylum in Austria.

Satellites up

Vandenberg Air Force Base, California. — A Delta rocket carried two satellites into orbit for tests of chemicals in the atmosphere and radio waves in space.

Money bag

Bologna. — A man found a bag with 35m lire, (about £18,000) on the roof of a house on Sunday and turned it over to police.

Cholera deaths

Johannesburg. — Four people have died and 200 are in hospital in a cholera epidemic in the black South African homeland of Bophuthatwana.

Prisoners escape

Vicent Corrigan, aged 24, who was serving a nine-month sentence for attempted robbery and Andrew Thorpe, aged 21, serving 12 months for burglary, escaped from Northeye Prison, East Sussex, yesterday by cutting through a perimeter fence while gardening.

Raiders smash eggs

Intruders smashed 20,000 eggs when they broke into a packing station at Taunton yesterday. They tramped over trays of eggs and also threw them at walls, ceilings and machinery.

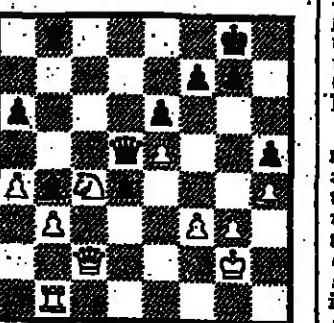
RESTRAINTS ON NEWS CHALLENGED

From Our Own Correspondent, Melbourne, Oct 6

Restraint on the freedom to report news is the great danger facing journalists worldwide, Mr David Chipp, editor-in-chief of the Press Association, said today.

"The attack is insidious and slow and is often justified by what are superficially very worthy motives. Our vigilance must be continuous, our suspicion constant and our opposition to incursions resolute," he told the annual meeting of the Commonwealth Press Union here.

Making a plea for straight news reporting by newspapers and news agencies he said that "the news is not only a dangerous delusion that it strengthened the story but it weakened the journalist's credibility."



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Before you insure your life, there's something else you really ought to ensure. For your own peace of mind, you should make certain that the insurance company you deal with is a member of one of the recognised life insurance trade associations such as The Life Offices' Association or Associated Scottish Life Offices.

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The Code demands for instance that whenever a representative approaches you he makes it clear that the purpose of the meeting is to discuss life insurance. That all your dealings are treated in complete confidence. That when you take out a life policy the benefits and conditions are explained fully. And that you are not encouraged to commit yourself to premiums which you cannot afford.

2. All members of the Associations have agreed to limits on the rates of commission that may be paid to independent advisers; so you can be confident that where commission is to be paid it will not be an influencing factor in recommending a particular member company.

It's worth remembering that life insurance is probably the biggest purchase you'll ever make apart from your home.

So it's important that you get it right.

If you would like a copy of the Code of Selling Practice, or information about the booklets and educational material produced by the Associations, please write to:-

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Ecclesiastical Insurance Office Ltd	Royal National Pension Fund for Nurses
Economic Insurance Company Ltd	Save & Prosper Insurance Ltd
Equitable Life Assurance Society	Scottish Amicable Life Assurance Society
Federation Mutual Insurance Ltd	Scottish Equitable Life Assurance Society
Friends' Provident Life Office	Scottish Life Assurance Company
FS Assurance Ltd	Scottish Mutual Assurance Society
Gresham Life Assurance Society Ltd	Scottish Provident Institution
Guardian Royal Exchange Assurance Ltd	Scottish Widows' Fund and Life Assurance Society
Hambro Life Assurance Ltd	Standard Life Assurance Company
Hill Samuel Life Assurance Ltd	Sun Alliance and London Assurance Company Ltd
Hodge Life Assurance Company Ltd	Sun Life Assurance Company of Canada
Ideal Insurance Company Ltd	Sun Life Assurance Society Ltd
Imperial Life Assurance Company of Canada	Swiss Life Insurance and Pension Company
Independent Order of Foresters (United Kingdom)	Swiss Reinsurance Company (UK) Ltd
Langham Life Assurance Company Ltd	Teachers' Assurance Company Ltd
Legal and General Assurance Society Ltd	TSB Trust Company Ltd
Life Association of Scotland Ltd	Tyndall Assurance Ltd
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London Life Association Ltd	UK Provident
M & G Trust (Assurance) Ltd	University Life Assurance Society
Manufacturers Life Insurance Company	Vanbrugh Life Assurance Ltd
Medical Sickness Group	Victory Insurance Company Ltd
Mercantile and General Reinsurance Company Ltd	Wesleyan and General Assurance Society
Munich Reinsurance Company	Western Australian Insurance Company Ltd
Mutual Life and Citizens' Assurance Company Ltd (of Australia)	Yorkshire-General Life Assurance Company Ltd
NALGO Insurance Association Ltd	Zurich Life Assurance Company Ltd



Complete rethink of Tory economic policy demanded by Heath

The following is the circulated text of Mr. Edward Heath's speech to the Conservative Students in Manchester, parts of which were not delivered:

It is imperative in our present economic circumstances, both national and international, that we should make a completely fresh assessment of Conservative economic policy. This is necessary not only in the interests of our country, about which we must all be deeply concerned, but also in the interests of the Conservative Party for which some of us have worked throughout our political lives. Many of us have remained almost silent for a long time on these matters, perhaps for too long, in order that the dire consequences of the present economic policies could be more widely recognized. We were hoping that they would bring about a more pragmatic approach to economic affairs, greater flexibility in handling and a wider use of all the available techniques of economic management. Together these would have produced a better balance in the economy as well as in our society.

Recent events, however, have shown that this is not to be. The reversal of the downward trend in interest rates, the

subsequent four points rise with the prospect of yet more to come, the still further increase in unemployment and the numbers of liquidations which are being followed by the rise in mortgage rates together with the hardship and personal bankruptcies associated with them, all indicate that the situation is getting worse, not better, and that we must become more dogmatic not less so. In the political sphere, the Government reshuffle only confirms what is economically obvious. A fresh assessment can no longer be delayed. The time has come to speak out. Britain is now locked in a vicious circle of spiralling interest rates. We are bound to the killing treadmill of their consequences. It is this vicious circle we must break.

The net result of completing the vicious circle is that prices have increased, the rate of inflation has gone up, the money supply has increased, unemployment has gone up, the rate of bankruptcies has increased, the industrial base has been further eroded, the Government's borrowing requirement has increased and as a result there is more pressure to raise interest rates yet again, to be followed inevitably by the same vicious circle. It is this which must be broken. The Government has made one attempt at doing so. It has proved unsuccessful because of the competitive rate internationally for higher interest rates. It is from this that we must disengage ourselves. It will require drastic action which I will later outline.

This country's economy has now been governed by monetarist policies not just for two-and-a-half years of Conservative government, but for five years, in fact ever since the Labour government was forced to call in the International Monetary Fund. Surely that is sufficient time in which to judge the merits or demerits of attempting to run a complicated, sophisticated economy purely by monetary means. The present Government has tried to manage the economy solely by the use of interest rates combined with attempts to limit government expenditure. A further attempt is about to be made to run the economy in this way, although contrary to these dogmas the Government has now been forced to intervene in the exchange market and to formulate an interest rate policy for the public sector.

The consequences are a loss of confidence in general and timidity in salesmanship in particular. Both are bound to damage our export prospects. The recent severe fall in the level of Sterling value, it is calculated, adds some 3 per cent to our rate of inflation through the higher cost of our imports of food and raw materials.

Can anyone now doubt the need to make a complete reassessment of British and European policy? Yet many commentators and politicians are reluctant to embark on this, either because they became hooked at an earlier stage on a simple policy of so-called pure monetarism, from which they cannot release themselves, or because they gave foolish promises to make major increases in defence expenditure, to cut taxes and produce a balanced budget all at the same time. Others cry that the only alternative is unrestrained socialism.

All these groups have been influenced by their ignorance of the history of the last 50 years and by their acceptance of the pernicious myths spread about the 25 years from 1950 to 1975. These were assiduously spread by those naively believing that there is a simple formula that will somehow defeat inflation, create jobs and restore expansion. They do so in ignorance of the fact that inflation in the middle 1970s was begun by the massive and rapid increase in world commodity prices, which for Britain amounted to nearly 200 per

cent, and by the 400 per cent increase in oil prices imposed by Opec in the autumn of 1973. None of the doctrinaire monetarists has ever attempted to explain how inflation caused by a rise in external commodity prices on this scale can be dealt with purely by internal monetary policies. Nor do they explain how a further increase in interest rates can lead to world economic expansion will be dealt with by these means alone.

When we look at the world economic situation we find it equally alarming. The present American Administration is endeavouring to run its own economy on a similar monetarist policy. It is doing so regardless of its impact on Europe or on the rest of the world. Its high interest rates are leading a competitive race which is being followed by Britain and to the rest of Europe but also to so many of the developing countries. The Administration's attempt to reduce its enormous budget deficit can only succeed, if at all, over a long period of time. For how many years therefore is this policy going to be continued and for how many more years must Europe suffer if it cannot be other than long drawn out. There was a time when the United States could drag Europe out of a recession. The reverse now seems to be the case. Western Europe is being dragged deeper and deeper into the mire.

The need to detach ourselves from the American-led pressure for ever higher interest rates is combined with a need to re-establish the stability of our currency. It can do us no good to see it rush up once again to a much over-valued position nor to see it come crashing down in a sudden fall. It is undervalued and inflationary. We are not alone in this. The same applies to the other members of the European Community. They do not need interest rates at the American level for their national economies. Indeed their economies have been damaged by the inflationary impact of the increased cost of their oil imports brought about by the high level of the over-rated dollar. They need just as much to increase the stability of their currencies inside the European Monetary System. At the moment Britain is a cause of instability because, while we are not a member of the European Monetary System,



Mr Heath: Break these chains

the pound is in the European Currency Unit which is disturbed by these wide variations in Sterling. The interests of Britain and the other members of the European Community are thus in line, to obtain lower interest rates and to achieve stability in their currencies. The members of the Community must now be prepared to act as one in order that inside the Community they can adjust and coordinate their interest rates without having to elevate them to the American levels, and can stabilize their currencies with the use of the adjustment mechanisms which make the EMS far more flexible than any of its predecessors. The resources available to the Community should enable them to achieve this. Europe will have to put a ring fence round its money and capital markets to enable it to disengage itself more effectively from aberrations in the rest of the world. It will require speedy action and firm leadership within the Community. We in Britain should resume the use of our powers of exchange control as part of a community exchange control system vis-à-vis third countries. This could be used in either direction, to prevent hot money pouring in and pushing up our currency to an undesirable level or to prevent capital flowing out to centres of high interest rates and thus reducing our currency to the level where it is undervalued. It is yet another myth to say that Bank of England exchange controls were ineffective. After 1931 they were well organized and highly efficient and we

have much experience to give to the Community in setting up a system of coordinated intervention by the central bank vis-à-vis the dollar and the yen. The EMS would not intervene in non-community currencies. Instead the Community exchange rate intervention would be carried out by the member states in Community currencies. The Community should also link Euro-currency markets to Community controls, for example by establishing reserve requirements. The Euro-currency markets are an ever-increasing and substantial factor in the disposition of the world's money, providing easy substitutes to nationally controlled money. This in itself can defeat the objectives of any government's policy. In Europe the shifting balances are a massive Trojan horse conveying United States monetary conditions into our own markets. The United States itself has a long-term interest in carrying out such an operation jointly with the Community in case the dollar again collapses. It would be best if this were done in union. We cannot do it alone. That is what the European Community is all about. If the Community cannot reach agreement on this we ourselves must use our well tried and oft-proven system of exchange control.

The measures I have outlined can anyone now doubt the need to make a complete reassessment of British and European policy? Yet many commentators and politicians are reluctant to embark on this, either because they became hooked at an earlier stage on a simple policy of so-called pure monetarism, from which they cannot release themselves, or because they gave foolish promises to make major increases in defence expenditure, to cut taxes and produce a balanced budget all at the same time. Others cry that the only alternative is unrestrained socialism.

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perpetuate the developing world when so much of it could be later reflected in orders for British equipment. Britain cannot possibly pull herself out of this recession without a recovery in the trade which comes from an effective demand in the developing world.

On every occasion since the war, when Britain has been facing a recovery three major problems have emerged. First, the demand for raw materials for our industrial processes has increased in an increase in imports, which has brought about a deficit on our balance of payments before the manufactured products, especially capital goods, could be exported. This has led to a weakness in Sterling. For the first time since the war, however, our position is stronger. The cause of the effect of North Sea oil on our balance of payments. It can be made stronger still by membership of the EMS and the joint resources which support it.

Secondly, because of the overvalued level of our currency we have been prone to overlarge imports of consumer goods. This position should be improved with our currency in the EMS at a satisfactory level. But neither of these problems have been as deep-seated as the third, namely the shortage of skilled manpower with which to carry through our industrial recovery.

The moral is clear. What this nation requires is a massive training and retraining programme, not just in order to alleviate the impact of unemployment on young people but to provide a sound basis for the expansion of industry and services in the future. At present we lack both an effective system and the resources such as those possessed by our major industrial competitors. It is essential that the Government should advance speedily in this respect over a broad front.

Progress in these policies can be brought about only by a considerable degree of consensus exists within our country. I have heard some doubt expressed as to what consensus means. Let this doubt continue let me endeavour to describe it. Consensus means, however, trying not to achieve the widest common measure of agreement about our national policies, in this particular case, about our economic activities, in the pursuit of a better standard of living for our people and a happier and more prosperous country. If there be any doubt about the desirability of working towards such a consensus let us recognize that every successful industrialized country in the modern world has been working on such a basis. Japan has probably achieved the highest position in this respect. Germany closely follows and among the smaller countries, Austria is foremost. Sweden, despite changes of government, adheres to its consensus in financial and industrial affairs. France's success over the last 30 years has been based on a commonly accepted programme which has enabled it to overtake the United Kingdom and advance rapidly towards Germany.

How dare those who run the biggest budget deficit in history approach others with the heinous crime of printing money?

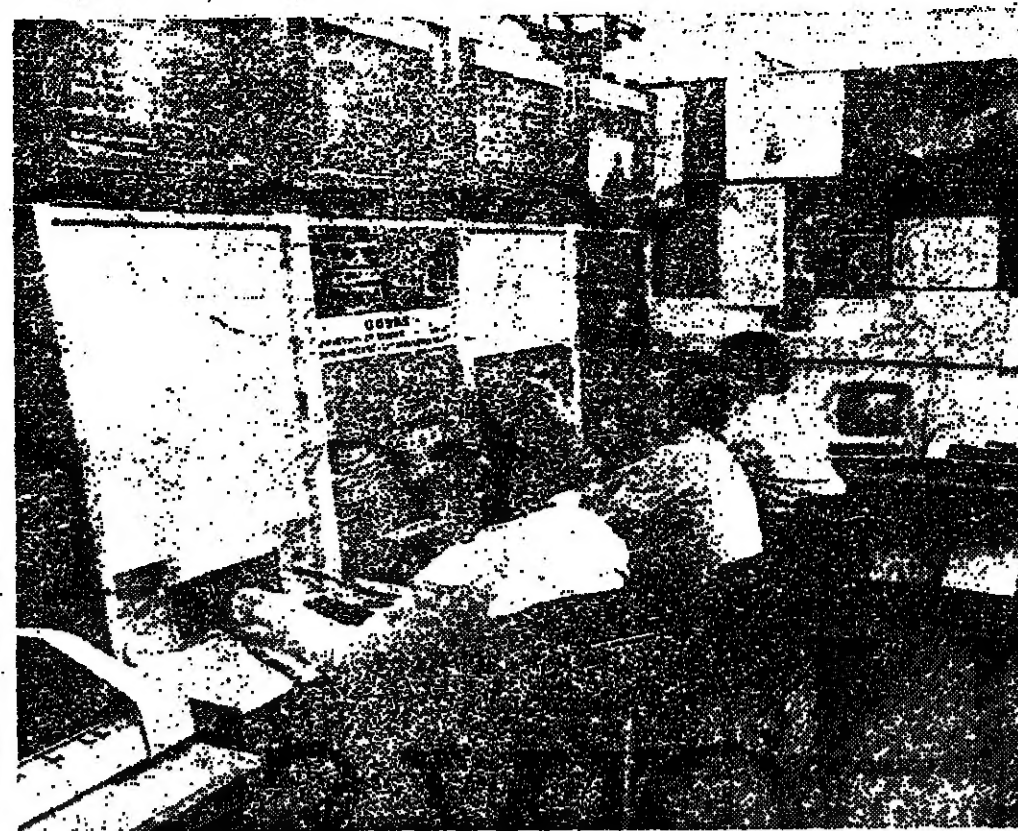
Consensus is not created by signed agreements or solemn undertakings. It is created by a continuing process of consultation and discussion in which government demonstrates its determination to tackle the problems which cause tension within society among their uneducated, their minority, racial discrimination.

No one will ever convince the exponents of the singular doctrine of monetarism that it is now inadequate. The answer will always be that it has not been tried hard enough or has not been tried long enough. But the interest rates now so high enough that that government spending was not cut savagely enough or that the action should have been taken more quickly to produce a more balanced budget or more slowly to avoid the undesirable political and social reactions. These may long remain matters for academic discussion.

What the businessman and trade unionist, the ordinary citizen and his family are now rapidly realizing is that if such a policy requires to be perpetuated for an even longer period and even more stringent measures such as are proposed at the moment are needed then the price which as individuals and as a community they are being asked to pay is too high to be acceptable.

And if the Government is determined to squeeze inflation out of the system why does it deliberately increase it by an increase in interest rates and other means? And if as a result of high interest rates, increased taxation and high Sterling rates, production falls dramatically, how can the Government supply be justified? And how dare those who run the biggest budget deficit in history approach others with the heinous crime of "printing money"? And if more than three million unemployed are necessary to get inflation down to a level less than two-and-a-half years ago, how many more millions of unemployed will be required to bring it down to what level? To a level which has never been reached?

Britain speech, page 7
Leading article, page 17



Mission control, Guildford: Students monitoring the launch yesterday and, below, an artist's impression of the spacecraft (Photograph by Keith Waldegrave).

Lift-off for Guildford satellite

Britain's first do-it-yourself satellite was launched into space yesterday riding piggy-back on an American rocket. The blast-off was at the National Aeronautics and Space Administration launch gantry in Valdebe, California.

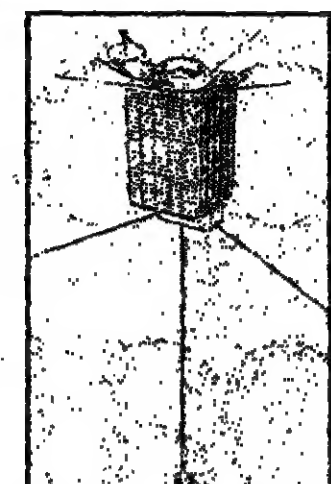
The satellite, called UOSAT, is under the control of Surrey University's department of electronic and electrical engineering.

Late last night the university said the controls were able to switch on the satellite's data transmitting beacon, and switched it off to conserve batteries as it got out of range. On its second orbit, the beacon was again switched on but no signals were received.

From a control room at the university's engineering department in Guildford the students monitored the launching of their "home made" module, the first to be produced by a university and the result of three and a half years' work. Dr Martin Sweeting, the satellite's project leader, said after the launch: "So far, so good. But this is only the first part. It is in orbit, but not in a stable orbit."

After separation we have to switch it on and make sure it is behaving correctly. We have slightly less than 12 minutes to make sure it is not heading up too much or getting too cold. If it is then we must change its attitude in space."

Later a spokesman confirmed that the satellite had responded to commands and the radio beacon, which transmits information had been switched on.



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Boys aged 8 to 16 held in prison-like conditions

From Our Correspondent, Glasgow

A report that boys aged between 11 and 16 were held in prison-like conditions in rooms that were overcrowded, ill ventilated and with little or no furniture at an assessment centre in Glasgow was substantially confirmed yesterday. The Scotsman reported on conditions at Larchgrove assessment centre in Edinburgh Road, Glasgow. Boys, it claimed, were put into a "cell" in solitary confinement if they went against the centre's rules. Larchgrove holds 70 boys, aged between 11 and 16, though children as young as eight are sometimes held. There are 70 staff.

Councillor Albert Long, chairman of Strathclyde Regional Council's social work committee, admitted yesterday that investigations showed that most of the allegations were true. Councillor Charles Gray, deputy leader of the council, promised at a press conference: "There will be no whitewash whatever in our investigation, and remedies will be implemented as quickly as possible."

Mr Long said that recommendations about improvements were being made.

Disruptive children up to the age of 16 are sent to Larchgrove by children's panels, social workers, education authorities and the courts. Mr Gray said: "Disruptive" means fighting, truancy or the inability to cope with the poor domestic background.

After visiting time, boys could expect to be strip-searched to ensure that nothing had been smuggled in.

The case of Mr James Eijm, which has been taken up by Mr John Sillkin, Labour MP for Deptford, has caused concern because under the Immigration Act, 1971, patients receiving treatment for mental illness should be removed only where proper arrangements have been made in the receiving country.

Mr Eijm came to Britain in 1971 as a student. Two months later he became seriously mentally ill and has been in and out of mental hospitals ever since.

charged before July 6 this year but committed after the date. Many magistrates around the country committed them to the crown court under the Magistrates Court Act, 1980, which had just come into force, instead of under the previous Act which was in force at the time they were charged.

The divisional court yesterday was dealing with the case of a youth aged 16, who admitted burglary, was committed for sentence to the crown court and eventually sentenced to borstal training.

Leave to appeal to the House

Science report Reservoirs as heat sources for houses

By Pearce Wright
Science Editor

The big underground natural reservoirs, 50 to 300 feet below ground, which supply most of Britain's drinking water could also yield an important supplementary source of energy for heating houses, greenhouses, offices and factories.

The idea is being tested by a group of the Institute of Geological Sciences at a research site in a Cambridgeshire area. It promises an advance in the technology of heat pumps.

Heat pumps are often referred to as refrigerators working in reverse because their purpose is to extract the energy from a large source of low grade heat and concentrate it into a higher grade of heat supply. For instance, a heat pump can extract energy from the air outside a building and concentrate it for use inside the building for space heating or for preheating of the hot water system.

But the process of converting a low grade source of energy into a higher grade does itself use energy. Because of power for the pumping system needed to complete the operation. Temperature enhancement, as it is called, is obtained with a low boiling point substance that alternately undergoes compression and expansion, with attendant changes of temperature.

The type of low boiling point agents are substances commonly known as refrigerators, like the fluid Freon, which circulates through the heat exchange coils. In the use for heat pumps, the liquid refrigerant evaporates in the outside coil on absorbing heat from the surrounding air. Once in its gaseous form, an electrically driven compressor pumps the gas to an inside coil where it gives up its energy.

Ideally, the heat pump extracts up to three units of energy from the low grade source for each unit absorbed in making the system work. Their other attraction is that in using air as a primary heat source the pump has a unit of energy available "free" energy source. However there are big disadvantages in efficiency and capital costs in relying on air. One of them concerns the fluctuation in atmospheric conditions.

Underground water sources, on the other hand, provide a almost constant temperature level. Shallow groundwater is cheap to obtain at temperatures, not seasonally dependent, between 11°C and 13°C. The quantities needed for the average-sized house are quite modest in terms of supply. A heat output equivalent to 10 kilowatts (10 single bar electric fires) can be obtained from about 280 gallons an hour.

In the experiments by the institute, the groundwater is used in a water-to-air heat pump providing warm air at about 30°C for experimental glasshouses. The technical details of the work are contained in the publication Water, the journal of the National Water Council.

INDECENCY ADMITTED BY SOLDIER

From Our Correspondent, Colchester

Signalman Malcolm McMichael, aged 22, was yesterday sentenced to be discharged from the Army with disgrace and ordered to serve 14 days' detention after admitting three charges of disgraceful conduct of an indecent kind with other soldiers.

A second soldier, Private Peter Biggs, also aged 22, of the Royal Army Ordnance Corps, was found guilty of disgraceful conduct after admitting indecency with Signalman McMichael. He was ordered to serve 84 days' detention. Both sentences are subject to confirmation.

The court martial at Colchester, Essex, heard that Signalman McMichael, after attempting for months to hide his homosexuality, had confessed his problems to the Army's special investigation branch. At one stage he had tried to kill himself.

His solicitor, Mr David James, said that Signalman McMichael committed three "minor" indecent acts at a time when he was under the influence of drink, depressed and trying to come to terms with his homosexuality.

After the hearing gay rights campaigners protested at the sentence on Signalman McMichael.

Law Report, page 9

Mothercare wins case

From Our Correspondent, Birmingham, Oct 6

A Mothercare assistant who lost her job at the company's shop in Redditch, Hereford and Worcester, in January lost her claim of unfair dismissal yesterday.

Mrs Amanda Adams, aged 22, of Redditch, told an industrial tribunal in Birmingham she got into a middle doing Christmas shopping with her Access card and her bank account. Three cheques, together worth £25 were cashed, with permission, through the till of the shop where she worked. The manager of the Redditch branch of the National Westminster Bank refused to honour them and she was dismissed.

Mr Gerald Foster, the tribunal's chairman said there was no dishonesty but the tribunal could not say that Mothercare had acted unreasonably.

The three judges, including Lord Lane, the Lord Chief Justice, decided that even though magistrates had made their mistake under the wrong Act of Parliament, the error could be disregarded and the proceedings were not a nullity.

Confusion had arisen over defendants who had been

MP in fight for Nigerian

By Lucy Hodgins

A Nigerian with a long history of mental illness, was arrested at a psychiatric aftercare hostel last month and is in Ashford remand centre awaiting deportation.

The case of Mr James Eijm, which has been taken up by Mr John Sillkin, Labour MP for Deptford, has caused concern because under the Immigration Act, 1971, patients receiving treatment for mental illness should be removed only where proper arrangements have been made in the receiving country.

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Leave to appeal to the House

RIOT GEAR WARNING TO POLICE

The Police Federation gave a warning yesterday that it would sue police chiefs who sent their men into riots unprotected when equipment was available.

Mr Peter Tanner, the federation secretary for England and Wales, said 43 chief constables were deciding what equipment their forces needed to handle a situation of civil disorder. He would sue for neglect if just one federation member was injured in a public disorder situation. Mr Tanner told a joint meeting of the federation's United Kingdom committees in Aberdeen.

Mr James Jardine, federation chairman for England and Wales, told the meeting that young and senior policemen should be trained to deal with riots.


By David Felton, Labour Reporter

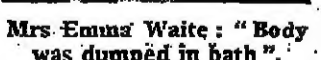
By Our Horticultural Correspondent

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PARLIAMENT Oct 6 1981

Nationality Bill keeps element of statelessness

House of Lords
Hundreds or even thousands of children born in Britain every year could remain stateless because of the Nationality Bill, Lord Ewens-Jones, the former Lord Chancellor, said in a speech in the House of Lords.

He moved what he called "an amendment of major principle" to Clause 1 dealing with the acquisition of British citizenship by birth or adoption. His amendment proposed that any child born in Britain would automatically gain British citizenship if it would otherwise be stateless.

He said it was an attempt to reduce the damage which would be done to human relations by the throwing overboard of the old principle of jus soli, the principle that British citizenship was conferred on every child born in this country.

Up to now the United Kingdom had an honourable record. It was one of the first countries to ratify the United Nations convention on the reduction of statelessness. That honourable record would be abruptly ended if the Bill contained amendments.

To be stateless nowadays was to have no right to live or work anywhere. Children born stateless within the United Kingdom would have no right to remain here permanently.

Ewens-Jones speaking

We are not only considering the fate of children living as stateless persons in the United Kingdom, worrying though that is, but we are also considering the fate of children born here stateless who could be sent away and could remain stateless, deprived of important rights for the greater part of their lives or possibly for all their lives.

A new born infant has done nothing to deserve the fate of statelessness being inflicted upon it. If we believe in human rights, there is justification for imposing this burden on children born within our jurisdiction. To do so, for the first time in our history, is in accord with the spirit and intention of the UN convention on the reduction of statelessness, with our own national traditions.

Lord Ewens-Jones said the amendment was going too far. If it was passed, a child born to non-British parents in the transit lounge at Heathrow because pre-

Citizenship for children of EEC staff

Lord Belstead, Under Secretary of State for the Home Office, moved an amendment to Clause 1, which, he said, would ensure that if any child born in the United Kingdom was the child of a parent who was a citizen of a country in the EEC, it would not affect the claim of the subject of the adoption order for the right of British citizenship.

The amendment was agreed to. He also moved another amendment which, he explained, in certain cases relaxed the 90 day rule as set out in Clause 1 for people born in the United Kingdom but who were not British citizens and who were seeking registration as a British citizen.

The amendment was agreed to. Lord Mackay of Clashfern, Lord Advocate, moved an amendment to Clause 2 which deals with the acquisition of British citizenship by descent, extending its provisions to the children of British citizens working in EEC institutions situated outside the United Kingdom.

He said that throughout their earlier debates on descent repeated pleas had been made on behalf of those working in Europe, particularly in Community institutions. The Government had taken note of these pleas and had agreed to amend the Bill.

The amendment was agreed to. Lord Mackay of Clashfern, Lord Advocate, moved an amendment to Clause 2 which deals with the acquisition of British citizenship by descent, extending its provisions to the children of British citizens working in EEC institutions situated outside the United Kingdom.

Concession for second generation

The Government was prepared to ensure that if a child born in the United Kingdom was the child of a parent who was a citizen of a country in the EEC, it would not affect the claim of the subject of the adoption order for the right of British citizenship.

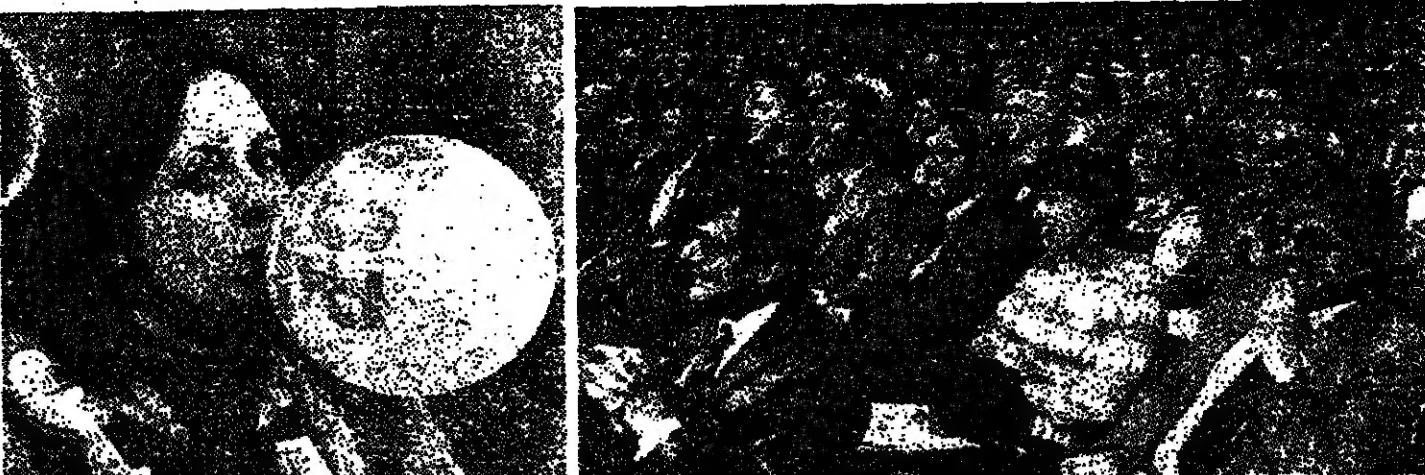
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A woman in the lead makes history

The House of Lords met for the first time in its long history under the leadership of a woman—Lady Young—whose appointment as

Chancellor of the Duchy of Lancaster and Leader of the House of Lords was announced during the summer recess.

Peers extended a warm welcome to her and also paid tribute to her predecessor, Lord Simon, Lord Pearce, Leader of the Opposition



Hilarity, good humour and earnest concentration at the SDP conference. On the left, rosette-bedecked Thelma Brown. Centre, smiles and laughter from the audience. Right, Mrs. Williams on unemployment.

Williams on unemployment

Lost generation of young jobless could live to haunt society for years

Reports from Robert Morgan, Gordon Wellman, Tony Hodges, Amanda Maigh

The recession in Britain was so severe that the country was now near the point of no return. Mrs Shirley Williams warned in an opening speech of a debate on unemployment, which began the conference in Bradford.

The programme for a future SDP government would contain an incomes policy, action to stabilise the pound and bring down interest rates, investment in industries of the future and economic infrastructure, and vocational training of all school leavers.

The unemployment levels among the young were sounding the alarm bells for a whole generation, she said. One in five teenagers nationally were out of work, one in two in some inner cities, and unemployment was now at its highest point in history, higher than the worst of the depression years.

It is little less lecturing young people with no prospect of graduating to anything but the dole about the virtues of law and order, she said.

"The children born in the bulge years of the late 50s and early 60s, are the children who have been losers all along the line. They went to overworked schools, saw their chances of an apprenticeship or a college place savagely cut, and are now moving into a labour market which cannot offer them jobs. They are in danger of becoming a lost generation. We believe that this generation, much of which feels a profound resentment and a profound bitterness, could live to haunt this society for many years unless we find some way of giving them a second chance," she said.

But more frightening even than the three million people without work is the relentless pace of Britain's economic decline, a decline that could become irreversible. We are getting very close to the point of no return. Unlike earlier generations, we have no industrial foundations of this country are now crumbling.

If a recovery did come it would be choked by bottlenecks in supplies and weakened by skill shortages, and would depend on a large amount of imported plant and equipment which Britain could no longer supply.

Mrs Williams condemned the "disastrous and stiff-necked" Government of being irresponsible towards the future. Conservative and Labour alike had been banished to agriculture and Northern Ireland.

"There are only two men in the Tory party who seem to have anger in their heart and fire in their bellies to challenge this relentless downward trend. Mr Heath and Sir Ian Gilmour have found their voices and raised the alarm in their own party about the terrible thing for which it is responsible. Perhaps some day they will see the light and we will have a party which we can trust to lead us out of this crisis."

The Government has a duty to ensure that if a child born in the United Kingdom was the child of a parent who was a citizen of a country in the EEC, it would not affect the claim of the subject of the adoption order for the right of British citizenship.

"simple minded faith in the free market" and a "hands off" attitude towards industry, but forced into the harsh world of reality had reluctantly poured money into dying industries.

"This rake's progress of the economy towards ruin" could not be achieved by the mock heroics of the Labour Party, who were determined to retreat into their fortress and then pull up the drawbridge after them—a party determined to live in the past.

The economic policies agreed last week by the Labour Party Conference denied the existence of inflation, their trade policies denied the existence of Europe, and their defence policies denied the existence of the Soviet Union.

"I am reminded of Brecht's remark about East Germany: 'The play's all right, but we will have to change the audience', she said. The decision to remove Britain from the EEC without a referendum would leave the country isolated and retailed against not just by the Community, but by the Common market, who were against Britain leaving. It would almost certainly double the dole queue.

A future SDP-Liberal government could come to power with part of the industrial base washed away, severe inflation rampant, and unemployment rampant. The Government would have to keep the pound as stable as possible and take action to bring down interest rates. Joining the European Monetary System could help to stabilize the pound.

There would be investment in new technologies and skills and a basic training for all school leavers. The present Youth Opportunities Programme was little more than a series of short-term unemployment. The modernisation of housing, and the water and drainage systems would provide thousands of jobs and more energy-efficient processes could create a huge new market for goods and services. A new regime for small businesses—finance, advice, and help with accounts, tax, planning and bureaucracy—would be central plank in the SDP's employment programme. Job sharing, gradual retirement, flexi-time, re-investment of redundancy pay in former employers' firms to set up co-operatives, and support the

SDP going down the same road.

Mr Michael Thomas, MP for Newcastle-East, said the SDP should keep the promises it had made at the outset. Until the proposal had been advanced in the steering committee he had never dreamt the party leader would be elected by anything other than one member one vote.

He might be unduly suspicious, he said, but he could not believe the Council for Social Democracy would ever refuse to endorse the leader proposed by the MPs. "It would surely provoke a major crisis in the party if they ever did and drive a terrible wedge between the party in Parliament and in the country," he said.

Mr William Hill, Sheffield, favoured leaving the election of the leader to the parliamentary party because the ordinary members did not necessarily have an insight into the reality of the job and the qualities it called for.

The party had plenty of work to do without wasting time and energy in conflict over an unnecessary issue, he said.

local enterprise trust, would be part of the scheme.

The programme could be financed by savings on unemployment benefits and massively high interest rates, by energy and raw material conservation, by support for small businesses, and by the European Social Fund. The cost of recovery was little more than the cost of inaction.

The co-operation of the trade union movement in accepting new forms of training not compatible with former traditional attitudes towards apprenticeships was essential.

"Unemployment can be reduced. Jobs can be created. And, given the opportunity, we shall do it. We do not need either an all-providing state nor a don't-stand-idle state. We need an enabling state that will help men and women to help themselves. The enabling state depends on the courage, dedication and determination in this party in alliance with colleagues in the other party."

Mr Fred Blakemore, Dudley, speaking in the debate which followed Shirley Williams's speech, said it was not enough to produce a Mark II Labour Party. What was needed was a new party of the centre, capable of vibrant and imaginative changes to the country so desperately wanted and deserved.

Mr Terry Smith, Hull, North, said solving the unemployment problem must be at the heart of SDP policy if the party was to win power at the next election. They had to be credible, humane and realistic, with the emphasis on humanity.

Mr Duncan O'Donnell, aged 36 from Rotherham, said democracy would be threatened by large numbers of unemployed disillusioned young people who felt they had been cheated and rejected by the democratic process and who would then turn to the party who promised them a better future. We are poised on the brink of the abyss."

Mr Matthew Oakshott, a member of the national steering committee and a former assistant to Mr Roy Jenkins, said in his debate that the message was clear. They had practical policies for getting the economy moving again without inflation roaring through the roof.

The Prime Minister and the Chancellor of the Exchequer had doubled up again and again in their wild gamble in economic policy and they had lost every time. The clear message for Mrs Thatcher was "the game is up. You have gambled with the future of this country and you have failed."

"You may think you can rely on Tony Benn to give you the election. You could not be more wrong. This time there is an alternative policy, a sensible and practical plan, which is the way out of the crisis. We are going to build an unbeatable alliance of employed and unemployed, women and men, black and white, north and south. It must be and it will be an alliance of hope for our country."

Housing Policy on city homes must be reformed

Mr Jim Daly, West London, a founder member of the national steering committee, speaking on the SDP's housing policy, described the late Mr Anthony Crosland as a great social democrat and said that he had identified Britain's housing policy as an area of terrifying social apartheid, which was almost unequalled in the western world.

People were herded off into estates which created all kinds of problems as a result of an inhumane approach to municipal housing, Mr Daly said. The whole strategy needed to be reformed.

"I want to make it absolutely explicit that the central theme of our housing policy should be to meet the human desire expressed by 80 per cent of all people, to own their own home and to facilitate that and let them make the choice," he said.

The central issue in housing was simply that there were not enough houses and that there was no overall housing strategy. Housing policy today did not reflect social change and the different housing markets were not defined or recognized, he said.

Housing starts had fallen steadily under the existing administration, leading to bankruptcies in the building industry and the human tragedy of people without homes.

Councils would do better not to build estates to their own specifications. They should be involved in buying housing from mixed developments so that the rented home was indistinguishable from one that had been bought.

The country should recognize that in existing council areas there was tremendous dissatisfaction, discontent and frustration which stemmed from appalling incompetence in housing management.

"This is why we should not set our face against selling council houses and think of a new system of collective management and the forming of co-operatives, particularly in tower blocks, governed by themselves and organising their own management, their own maintenance, and deciding their own priorities," Mr Daly said.

Let us forget all ideological garbage and do what the people want. I am for selling council houses and let us have the finance, he said, could come from investment from the resources of pension funds and insurance companies and from equity sharing.

Mr Daly said the party should consider financial backing for some small builders. One of the problems of the construction industry was the cashflow difficulty. The Social Democrats would offer a new deal in housing. More financial resources would be made available to the private sector and building societies should be persuaded to use their funds to finance the greatly increased building programme and arrangements should be made through the tax policies to assist this.

A lot of land had to be unlocked and bureaucratic restrictions removed so that building could take place. "We should even be prepared in some cases to give property away, to transfer it nominal prices to groups, co-operatives and individuals."

State of the party New defecting MP and another is waiting in the wings

By Julian Haviland, Political Editor

Social Democrats were delighted at the unexpected defection from Labour of Mr David Ginsburg, MP for Dewsbury, and confident last night that Mr Tom McNally, Labour MP for Stockport, South, and former political adviser to Mr James Callaghan, was on the point of joining their party.

Mr McNally's fellow MPs in the SDP were delighted at the prospect of two senior former officials of the Labour Party joining them within 24 hours.

Mr McNally, a specialist in foreign affairs, is a former head of the party's international committee, while Mr Ginsburg, who announced his defection

marble of senior figures remaining in the Labour Party, notably Mr Callaghan, Mr Denis Healey and Mr Roy Hattersley, all of whom had worked closely in government with McNally and had held him in high regard.

Even close associates of Mr Michael Foot, the Labour leader, were openly amazed when they discovered on Sunday that Mr McNally was set to defect.

Between 1976 and 1979 Mr McNally, aged 38, was political adviser to Mr Callaghan, having earlier been his right hand man at the Foreign Office.

But his relationship with Labour's last Prime Minister proved more of a handicap than an aid when he decided he wanted to enter the House of Commons.

Despite his impeccable working class and Labour Party background, local activists in several constituencies blocked his candidature because of his close link with what they saw as the shattered down socialism of the Callaghan era.

His quest to become a Labour MP was finally answered when he was selected as an election candidate in Stockport and went on to win the contest with a majority of 1,125 votes over his Conservative rival.

Although he has been a Labour MP for less than 30 months much of his earlier life was devoted to the Labour cause. He was assistant general secretary of the Fabian Society in 1966 before becoming a researcher for the party.

The news of Mr Ginsburg's defection, he is the eighteenth MP to join from Labour's ranks, was greeted with delight when it was announced at Bradford.

Mr Ginsburg, aged 60, has told his local party that his decision was reached after last week he had confided to friends that he could not continue in the party, following the Conservative vote in the 1979 election, and the withdrawal from the EEC without a referendum. In a letter to Mr John Daly, party secretary, he said he had been increasingly concerned by the party's move to the left.

He had hoped that gradually moderate policies could prevail. Despite the re-election of Mr Healey as deputy leader and the national executive changes, he could derive no encouragement from the major policy decisions on the EEC, unilateral disarmament and the rejection of incomes policy.

"There can be no doubt that the Labour Party's current position on many issues is very different from that on which we fought the 1979 election. Here I am making no reproaches, simply stating facts. I believe a political party is entitled to change its political position as the Labour Party has done and is continuing to do, but in this event those of its members who do not agree with it have the right to reassess where they stand."

Croydon NW by-election Candidates go to church

By John Witherow

The first public meeting of all three leading candidates in the Croydon North West by-election last night gave the audience the opportunity to measure the pulse of the Liberal-SDP alliance against those of the Labour and Conservative parties.

Judging from the audience reaction the policies espoused by Mr William Pitt, the Liberal Alliance candidate, met with a degree of sympathy from people who appeared sceptical of what one questioner called the glories of the Labour and Conservative candidates.

But Mr John Bunterfill, the Conservative candidate, speaking at a meeting organized by the churches at a Noddy Road, said he scored points by taking a solid Conservative line on questions concerning abortion, sex shops and Christmas closures, and remained in the Common Market, and yet condemning the Conservative Government for not doing enough about unemployment and failing to encourage investment.

The nuclear arms race also played a prominent part in the debate. Mr Stanley Boden, the Labour candidate, and a unionist, said: "Britain should play a leading part in turning nations of the world away from a nuclear arms race."

Mr George Major, a diminutive plumber and pearly king who represents the Family Law Reform Party, posed with Louis the donkey before submitting his nomination and a deposit. His three supporters, one dressed in a Highland garb, told reporters that divorce was a serious problem in Croydon and they wanted fair treatment for children of separated parents. Mr Major was followed to the nomination office by Commander William Becks, aged 76, who is reputed to have lost more deposits in parliamentary elections than any other candidate. If the 14 votes he got at the Warrington by-election are anything to go by, his record is not in jeopardy in Croydon.

Polling for the by-election, caused by the death of Mr Robert Taylor, the sitting Conservative, is on October 22.

Leadership election

One member, one vote is crucial

The SDP should not be embarrassed by difference of opinion about the leader of the party in the parliament should be elected, Dr David Owen, one of the joint leaders of the party and MP for Plymouth, Devonport, said in a debate on the party constitution.

"I do not think there is any reason why we should be ashamed of this. If this party cannot hold differences of view in its mind and argue them out sensibly and rationally we will not be able to demonstrate to the rest of the country how we can have democratic debates."

Mr Robert MacLennan, MP for Caithness and Sutherland, who opened the debate with an outline of the party's draft constitution, said individuals would have the chance to participate in party policy decision making at all levels.

The burden of leadership of the SDP would be split between the parliamentary leader and the leader of the party outside Parliament, the president, who would not be just a symbol but a powerful figure presiding over party organization.

Mr David Marquand, representing the majority view on the steering committee, said the post of president of the party would not be a figurehead but one that required a heavyweight politician and he would be elected by one member one vote.

The point that is in dispute and it is of course a crucially important point, is whether or not the majority of the steering committee were right to give the initial responsibility for electing the parliamentary leader to our MPs. I believe passionately that we were," he said.

If this were not followed, there was a danger MPs might one day have to accept as leaders someone in whom they did not have confidence. In recent weeks they had seen what danger had done to the Labour Party, he did not want to see

the SDP going down the same road.

Mr Michael Thomas, MP for Newcastle-East, said the SDP should keep the promises it had made at the outset. Until the proposal had been advanced in the steering committee he had never dreamt the party leader would be elected by anything other than one member one vote.

He might be unduly suspicious, he said, but he could not believe the Council for Social Democracy would ever refuse to endorse the leader proposed by the MPs. "It would surely provoke a major crisis in the party if they ever did and drive a terrible wedge between the party in Parliament and in the country," he said.

Mr William Hill, Sheffield, favoured leaving the election of the leader to the parliamentary party because the ordinary members did not necessarily have an insight into the reality of the job and the qualities it called for.

The party had plenty of work to do without wasting time and energy in conflict over an unnecessary issue, he said.

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John Earle on industry's needs

Enticing the small entrepreneur

Efforts at industrializing Sicily, it is now generally admitted, have failed. Billions of lire have been poured into the island through government bodies like the Cassa per il Mezzogiorno, by the region's own agencies, and by big state concerns. To show for it, the island has some public service works — though the transport network is still inadequate — and a large number of firms which work at a loss. A disproportionate amount of economic activity, particularly in the West, is not generated by a spirit of initiative but depends on receiving public contacts.

Signor Rino Nicolosi, a Christian Democrat of the younger generation who became Assessore or Minister for Industry in the Government formed in August, admits that Sicilians have had their fingers burnt. It was a mistaken policy, in his view,

to promote giant petrochemical and chemical plants which, even if the oil crisis of the mid-1970s had not upset all financial projections, always threatened to remain white elephants providing few local jobs. The oil-producing countries would in any case have tried at the first opportunity to engage in their own refining and downstream activities.

Equally mistaken, he maintains, is the traditional view that Sicily's future lies with agriculture and tourism. Given the island's position in the centre of the Mediterranean, its climate like California, and the forthcoming availability of Algerian methane, it should have good prospects as a manufacturing centre. He wishes to promote sectors such as light manufacturing, agricultural industries, fine chemicals and electronics as well as re-

search. Among advance guard activities, there is already a pilot plant, financed with a contribution from the European Community, for producing electricity from the sun's rays at Adrano near Mount Etna.

Hitherto, Signor Nicolosi says, the authorities have completely neglected small and medium private industry, which should be a backbone for the economy. The tendency, therefore, will be away from the gigantic state or parastatal concerns, and towards the smaller entrepreneur. To help him, concessional financing will have to be made available much more swiftly and efficiently than hitherto by the Cassa or, when its mandate expires in a few months, by the development agency which is expected to succeed it. But above all, Signor Nicolosi plans legislation to offer the entrepreneur a range of regional services, in consultancy, informatics, promotion and marketing, help with the standardization of products and the like.

In due course he hopes to attract the foreign investor from the Western world. Two years ago, he recalls, the late Signor Piero Mattarella, the Regional Premier, visited West Germany for this purpose not long before his assassination. Signor Nicolosi wants to take up where Signor Mattarella left off. Attempts at economic penetration by Libya incidentally, are reported to have already been made and to have been rebuffed, for fear of the political implications.

The move towards smaller private initiatives is partly a reaction to the dismal record of the agencies and industries under the region's control.



Palermo Cathedral: magnet for tourists

There are some exceptions, however, such as the Ispes-Italcali group, employing a workforce of 1,750. The mines, yielding about 205,000 tons a year of potassic sulphate, used in fertilizers. Besides satisfying 80 per cent of national demand, Ispes exports to the Mediterranean basin, Venezuela and Japan.

A modernization and reorganization programme under way will raise output to 400,000 tons and, subsequently, 470,000 tons a year, enough both to satisfy all internal demand to increase export earnings. The firm is also studying a project for the production of 20,000 to 40,000 tons a year of magnesium. The mines, it is maintained, have the prerequisites for making a healthy profit.

A prototype of the native-born entrepreneur exists in the person of Signor Mario Rendo. Aged 59, he inherited from his father about 30 years ago, a small building firm in Catania. The firm's important success came with a contract to regulate the waters of the Simeto river in the plain of Catania, executed on time. Punctuality in meeting deadlines is, according to his son Ugo, one of the reasons for subsequent success.

The other was the realization that, to be successful, it was not enough to stay in the building trade, but diversification was essential.

The Rendo group is now a family-owned company (himself, with his brother and their children) who, partnered by an old friend from the war, have 27 companies employing 4,000 workers. So far, in spite of the recession, not one has been laid off. The companies cover industrial consultancy, engineering (equipment is being supplied to a nuclear power station under construction at Lyons in France), railway rolling stock, public works, prefabricated buildings, reinforced pipes, citrus fruit, soya bean cultivation, stockraising and freeze drying. Signor Rendo is reported now to be studying a project for a yacht marina, which would take business away from Malta. There are plenty of Sicilian businessmen of one kind or another but, as a banker observed, in the island there is none quite like him.



A CURA DELLA UNIONE REGIONALE DEI CAMERATI COMMERCIALI DELLA REGIONE SICILIANA - PALERMO -
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"THE EFFECTS OF AUTONOMY IN THE MEDITERRANEAN ISLAND"

SICILY — CENTRE OF ATTRACTION FOR FINANCIAL OPERATORS AND TOURISTS

The Agricultural transformations and the arrival of Industries — The relationships with the European Community and the African Countries of the Mediterranean.

Sicily, which in view of its long-standing special features of culture and history is recognized to be an Autonomous Region with special status being without an international policy, which is outside its competence, feels the need — as was asserted recently by Mario D'Acquisto, President of the Region — to make its presence felt in a more precise and decisive manner with the bodies of the European Economic Community and the Mediterranean Countries. Not only with the latter but in particular those who are already members or who are about to become members of the community, there are many questions in common and therefore Sicily is induced to accelerate the timing of all agreements which are possible on the commercial, cultural and social level in order to lay down the bases for a policy in the Mediterranean area where Sicily will play the greatest possible part in protecting its interests and rights.

As President D'Acquisto stated, the Mediterranean nature of Sicily from the aspect of geographical conditions is a value which it considers with great enthusiasm, developing any useful contact and initiative which is effectively worthwhile. The most incisive presence with the EEC bodies not only means greater effect whenever the interests of the island are involved, but will serve to make better known the new Sicilian reality originating from 34 years of Autonomy.

It is known that Tourism plays a primary part in Sicilian economy, supported by adequate policies and appropriate public aid which has made possible an increase in the infrastructures so marked as to encourage and maintain a

touristic influx of exceptional importance not only from Europe but also from other continents. Current regional laws provide businessmen with the best financial conditions for investment, including foreign investment.

But Tourism is not the only hinge pin of the Sicilian balance of payments: great prospects are offered by Agriculture, Industry, Trade and Fishing. The Region has already done a great deal to bring the Agricultural sector to an impressive level and despite this it is strengthening and developing the theme of the central nature of Agriculture within the Regional Economic Policy. The programme provides, in addition to individual action in sectors, a development strategy which allows for a definitive replacement of the old traditional agrarian organization — uncertain and slow in innovation — by a new managerial organization which produces for the market, knows how to achieve increases in output and quality of products, and takes care of the handling, preservation and processing of the production, protecting them from the tyranny of the market and the seasonal nature of prices. This is why the Sicilian Region has assumed a strong financial commitment, making capital available to Agricultural co-operatives for plant and services and also a modern business organization, simultaneously investigating — with national public bodies operating in the foreign trade sector — structures suitable to provide better placing of Sicilian production on the foreign markets.

Substantial results have already been obtained, if one considers the success which Sicilian

agricultural products, with wine taking first place, have achieved throughout the world both in view of their genuineness and the modest prices.

Industry as well, although operating in an area which is predominantly agricultural, has found a worthwhile market which will certainly extend further.

Like the other southern Regions, Sicily has claimed entitlement to the benefits of the Industrial Incentive Policy and also the devising of a new type of incentive which, progressing beyond the traditional incentives based on financial facilities, offer real services, capable of lowering, rather than the cost of industrial plant, the management costs affecting the life of the business.

This is why Sicily is conducting a policy offering areas which are fitted out and the use of services suitable for the essential functions of business such as the acquisition of stocks, the marketing of products, the supply of electricity, water and purification.

With this policy, the Sicilian Region is aiming at opening a dialogue with those who, even abroad, wish to invest their capital in the island for productive purposes.

The Regional Policy, within the framework of the touristic, agricultural and industrial development takes the matter of transport into full account. President D'Acquisto, illustrating to the Sicilian Parliament the Government Programme, stressed the commitment towards the acceleration of timings for the bridge over the Messina Straits and a policy for action in port and airport matters, effectively meeting Sicilian requirements. A problem which cannot

be postponed is troubling Sicily. This is the problem of fishing in the Mediterranean, made acute by the serious tension existing with the African coastal countries and the failure to renew an international agreement. The European Community has been called on to intervene in the dispute with these countries but nothing positive has so far been achieved.

However, the Region is investigating new forms of support, compatible with community legislation, whilst a more definite Sicilian presence in that connection is being prepared within the ample framework of the multi-lateral negotiations which are taking place inside and outside the States.

Those which we have illustrated are merely a few outstanding points of Sicilian Autonomy. Much has been done and much remains still to be done, but there is no doubt that the largest island in the Mediterranean, with its sun, its climate, its unequalled cultural assets, its agriculture and its industries, constitutes and will do so even more, the centre of attraction both for tourist influxes and for financial operators — not only English and European in general but from most of the Countries in the World, renewing and further upgrading the role of hinge and bridge between various cultures which history has entrusted to it from the birth of the first civilizations — a role which is now being reinvigorated by the central nature of the island in relation to the emergent Countries of Africa and the natural tendency of the European Community towards the South.

Issued by the Press Office — Sicily

Four offshore oilfields

In the pipeline

The names Nilde, Milla, Perla and Vega as yet mean little to Sicilians, but for those in the business they represent one of two significant developments that are putting the island on the international energy map. They are all oilfields, producing or regarded as commercial, off the shores of southern Sicily.

The other development is the forthcoming arrival of large quantities of natural gas from Algeria, through the Transmed pipeline, a bold technical venture which registered a world record in pipe laying, in the Sicilian Channel from Tunisia down to a depth of 608 metres (1,994 ft).

The four fields so far located are not another North Sea. Their extent is limited. But even if Nilde, which Agip of the state-owned ENI group is now bringing into production after a false start, can reach an annual output of one million tonnes this is important for a country which produces only about 1,500,000 tonnes and has to import virtually all its needs. Lying 40 miles south-west of Marsala, Nilde is a partnership with the Shell group. Agip has also found oil at Perla half way along the coast, and is installing a platform in order to start production late next year.

The other leader in Sicilian oil exploration is Montedison. Italy's biggest chemical group. It is undertaking test production at Milla Field, discovered in 1978 only four miles off the coast south of Ragusa. Then at Vega, 16 miles off the south-east coast, it heads a consortium which has made encouraging finds but wishes to do more drilling before assessing the potential.

All this has led to an upsurge of interest among oil companies, especially as commercial discoveries have also been made off Tunisia, while the Maltese Government has allocated permits this year for exploration in its northern waters towards Sicily.

In the south, Sicilian offshore Conoco has been drilling a well, Palma Two, to follow up interesting shows from Palma One in 1975. Among other companies to take out exploration permits are ENI of France, Gulf, Hudson Bay Canada Northwest and Fiat.

These permits are all for water depths of less than 200 metres (656 ft.). Recently the Italian Government has opened up the prospect of exploring the deeper parts of the Sicilian Channel, and as a first step has given the state company Agip exclusive rights for preliminary prospecting. Agip will have to make generally available the seismic and other data it collects, but will be able to cream off some of the most promising areas before general bidding opens.

More direct potential for the island's economy, however, is offered by Algerian gas than by Sicilian oil. This was foreseen years ago by the Sicilian authorities, who pressed for Transmed at a time when others thought they were not about a pipeline but a pipe dream. Transmed is now there. Laying of the last of the three 155 km (96 mile) lines across the Sicilian Channel was finished in January.

November will see com-

pletion of the 350 km (217 miles) across Sicily — rising to about 1,500 metres (5,250 ft) near Mount Etna — up to the Straits of Messina. From there the line goes up the Italian peninsula, to storage depots at Minerbio near Bologna, where it connects with the national network receiving gas from Italy's own fields and from The Netherlands and the Soviet Union. Altogether the distance from Hassi R'mel in the Algerian Sahara to near Bologna is about 2,500 km (1,550 miles).

The use of natural gas is nothing new in Sicily, which has been exploiting small deposits since the 1950s. Gas is already available from the mainland across the Straits of Messina pipeline for industrial areas in eastern and southern Sicily. But the great question is how the Algerian methane will be used.

When at full capacity, Transmed will bring 12,300m cubic metres a year. A year ago, ENI signed a letter of intent with the Algerians to increase this to 18,000m cubic metres. On paper, the arrival of plentiful energy could spur the economic take off not

only of Sicily but of the whole backward Mezzogiorno.

Sicily has obtained the right to 30 per cent, or about 3,500m cubic metres. Some will be useful for home heating and cooking. The ENI group is committed to laying branch lines to areas designated for industrial development. The gas would make an excellent source of energy for manufacturing activities such as ceramics and glass. But, as matters stand, there is not enough suitable industry for the island to absorb its allocation, and some will be diverted to fuel electric power stations.

A great debate is under way. The left wing opposition, the trade unions, and the cooperatives have accused the authorities of unpreparedness, so that, they allege, in the end Sicily will not take its full allocation but much will flow north for the benefit of already-established industries there. The last word has not been said, but it is to be hoped that it will not be still another story of missed opportunities.

J. E.

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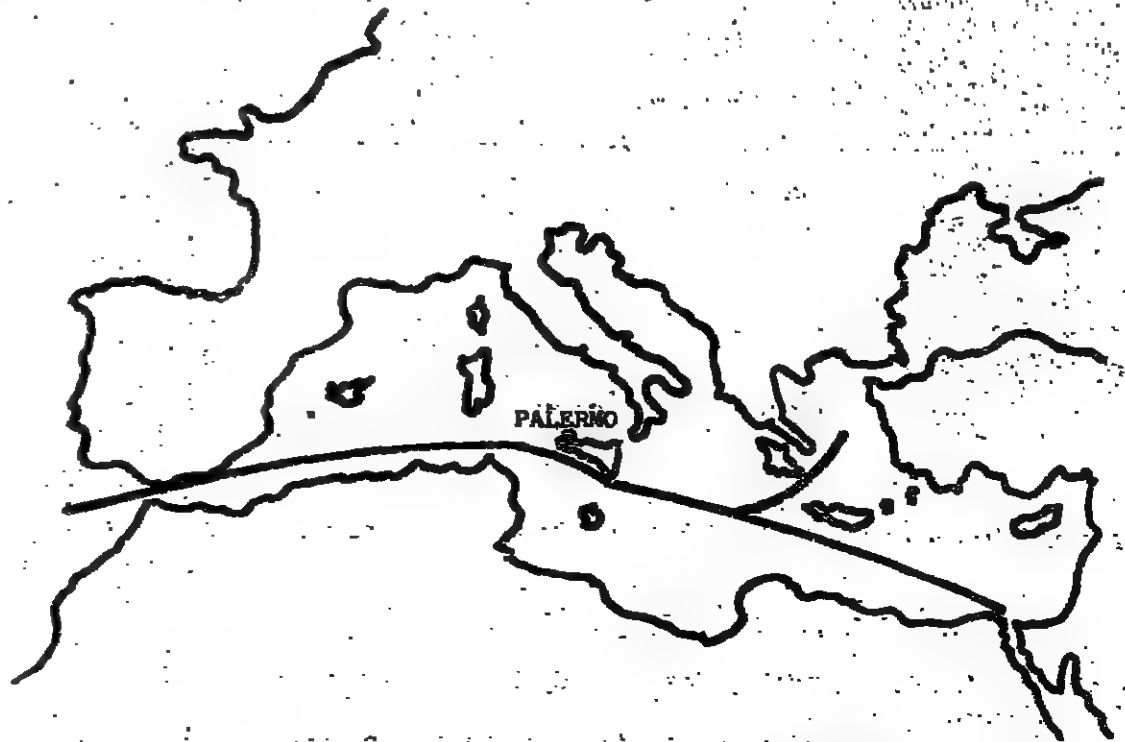
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Deposits and bonds issued	2,899.180
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Nicholas Wapshott discovers colonial legacies dating back to before the Greeks

Finding the real Sicily, and all the clues are there

The childhood impression of Italy, taken from an atlas or a globe, is that of a huge foot of land, booting the island of Sicily somewhere out into the Atlantic. And visitors to Italy will find that this childish wisdom is backed up by everything that is said about the island. Few Italians have anything good to say about Sicily. It is a barren place, devoid of culture. The people are criminal and sly. The food is poor, the wine is worse. The climate is too hot. In short, Sicily combines all the bad things about the very south of Italy.

True, there are no splendidly verdant, poplar-lined pastures as there are in Tuscany. The food cannot compare to that in Emilia Romagna. There is nothing like the electric excitement of Rome, nor the intellectual rigours of almost everything in Florence, nor the sheer wonder of arriving in Venice.

But Sicily has more than enough to compensate and the very surprise of finding that Sicily is not what those on the mainland make it out to be is itself a genuine pleasure, adding to a visit the thrill of discovery.

Sicily is triangular, an island about a third the size of Scotland, right in the centre of the Mediterranean. It was once linked to the mainland at Messina, but since then has been separated by far more than the two miles of water which now divides the island from the rest of Italy.

Sicily is fiercely independent. But, as the largest island in the Mediterranean and a sailor's stepping stone on the way to everywhere, it has been colonized by every passing civilization. Each has left its indelible mark. The Phoenicians came first, then the Greeks, the Phoenicians returned under the Romans and then the Romans arrived and

so on, via the Normans, until the last invasion, the British, arrived at a beach near Syracuse, ousting the Germans.

A visitor to Sicily soon notices the lasting effects of these empires. Everything he hears, eats or sees is an amalgam of very different cultures. The language is close to Neapolitan, but far from that heard in Tuscany. The food is unique, not the poor Italian food which the mainlanders describe but a form of cuisine of its own, strongly influenced by Africa, 80 miles to the south, using more oil in the cooking and a more robust pasta. The folklore and music is similarly unique.

The only clues to the separate cultures that make up Sicily are the buildings. By a happy fate, few empires were jealous of their predecessors and the local population did not desecrate the

monuments erected by their parade of masters.

The Greek amphitheatre carved into the rock at Syracuse is almost exactly as it was when it was built in the fifth century BC, except for a small Roman amendment. The Roman theatre there was built eight centuries later, an oval slightly smaller than the Coliseum in Rome, and is intact, although it would no longer hold water for staging naval battles as it once did.

The most magnificent legacy of the Normans is the Cathedral of Monreale, with gilt mosaics which rival those in Ravenna. As for the baroque period, the whole of Palermo is hung upon a baroque skeleton of streets which join at squares as magnificent as the Piazza Vigliena. And the town of Noto was entirely rebuilt after the earthquake of 1693.

For the general sightseer, it

is worth remembering that the wealth of Sicily has always remained in the cities. There has never been a grand country house life, as in most of Italy, nor even a respectable market town tradition. The main sights are usually just outside main cities, like the Valley of the Temples outside Agrigento — a line of magnificent temples, some still standing, others carefully restored.

A rare country visit — and something of a mystery — is the Roman Villa Casale outside Piazza Armerina. To call it a villa is hardly doing it justice, an indication perhaps of Sicilian reserve, for it is really a palace, discovered only within the last 50 years, dating from 4AD. It has the most magnificent mosaic flooring, showing scenes from a wild animal safari, a chariot race, a battle between giants — in about 25 magnificently decorated rooms — which

were preserved by a landslide until excavations began in earnest after the Second World War.

Sadly, the villa, like many historic monuments in Sicily, is barely preserved. It is open to the glare of the sun, is regularly sprinkled with water to heighten the colour for visitors and is protected from the rain and the frost only by flimsy perspex.

Like the rest of Italy, the wealth of the legacy of art which the Sicilians have inherited is too expensive to maintain. At the same time, the progress which Sicily is making in industrialization — becoming a centre for oil refining and a beneficiary of the EEC regional fund which promotes industry in the places most distant from Brussels — means that the landscape and the historic monuments are in danger of fast expansion without proper planning restrictions.

The town of Syracuse, for instance, once a charming small harbour, is now a vast sprawling city and most of the expansion has happened over the past 10 years. To the north of Gela is the most ghastly factory complex in a place which once boasted some of the finest beaches on the island. But only those who hire a car or travel by the arduous public transport system will meet the worst horrors.

A more genuine way to enjoy Sicily is to stay in the capital, Palermo, despite its reputation for street crime and violence. Nowadays, when the innocent art-lover can have her bag snatched in daylight outside a fashionable restaurant in Florence, the wariness that was once needed for a city like Palermo has become universally applicable.

Palermo at least exists for its own population and not for

tourists. By the way, most Sicilians can make themselves understood in English — or at least American, for there are few who do not have an uncle or aunt living in the United States. If you ask, they will point out the villa where Frank Sinatra's parents live.

As for the Mafia, it exists, although inquiries are met with a polite rebuttal. It is inconspicuous and seldom referred to — although Sicilians like to encourage the credulous foreigners with daring tales.

A good time to visit Sicily would be at the end of March next year. It will be exactly 700 years since the Sicilian Vespers, when the Sicilians rose against the oppressive rule of Charles of Anjou. One hundred years ago, Garibaldi visited Sicily for the celebrations, although he proved too frail to take part.

Bruno Roncarati traces the history of viticulture

A land floating on wine

The wine tradition of Sicily goes back at least to the period of Greek colonization, during which there were important viticultural developments on the island. Viticulture advanced further under the Romans but suffered a setback during the Arab occupation, on account of Muslim prohibitions against wine. Nowadays Sicily is one of the largest wine-producing regions of Italy, with an output of some 11 million hectolitres, equivalent to 24 million imperial gallons in 1980. The average production for the past five years has been just over 10 million hectolitres, some 22 million gallons.

A lot of this wine is sold in bulk and most leaves in tanker ships, to the consternation of French *vignerons*, some of whom made their feelings felt at Sète in August by pouring fuel oil into the tanks of a ship carrying Italian wine. Known in ancient times as *trincaria* because of its triangular shape, Sicily is the largest island in the Mediterranean. Grapes are grown on most of the island as well as on the minor islands such as Lipari and Pantelleria that fall within its jurisdiction.

There is little doubt that the most famous Sicilian wine is Marsala, named after the town by the same name in the extreme west of the island.

This fortified wine was first marketed by the Woodhouse brothers from Liverpool in 1773. John and William Woodhouse were seeking a source of soda in an area between Trapani and the small town of Marsala when they came upon a limpid white wine with an extraordinary vigour. They were inspired by the contemporary taste for fortified wine to experiment along similar lines. Soon they had captivated the imagination of many fellow Englishmen, including Lord Nelson, whose sailors appeared to share their Admiral's taste and greatly contributed to the popularity of the wine.

Woodhouse's example was soon followed by other Englishmen. Benjamin Ing-ham contributed notably to the success of Marsala by introducing rational cultivation of the vines and improving substantially its vinification and processing technology. John Whitaker also did his bit and by the early 1830s local interest had been aroused and Vincenzo Florio had set up a specialized winemaking establishment for Marsala, and was sending his wine around the world.

By the beginning of this century, more than one million gallons of Marsala were exported. A decline followed in the 1930s as a result of the sanctions imposed on Italy, a direct consequence of the Abyssinian War. Important markets were lost and this was particularly so of Britain, where Marsala had been most successful for years. In contrast the home market expanded and there was hardly a household in Italy where a bottle of Marsala was not to be found.

Various decrees to regulate the production of this wine were passed in the early 1930s, in 1950 and again in 1969, when Marsala became a wine of controlled Denomination of Origin. The area of production is in western Sicily, the province of Trapani and parts of the provinces of Agrigento and Palermo, one of the most heavily planted areas in the world.

Marsala comes in several types, all of substantially high alcoholic strength, ranging in taste from very dry to very sweet. The *vergine*, made by the solera method, is dry and as such makes a most pleasant aperitif. More debatable are the Marsala *speciali* with various flavours of banana, almond and egg, the latter reputedly having some invigorating qualities. Marsala

also plays a commanding role in the kitchen as it is often used to prepare such dishes as veal escalopes, the well known *scaloppine di Marsala*, as well as the famous *zabaglione*, a delicious, but very rich, sweet made with egg and sugar.

At the foot of Etna grow *carricante* and *catastratto* grapes that make Etna Bianco, a dry white wine of controlled Denomination of Origin (DOC), fresh, delicate, balanced. Chilled, it is tailor made for *maccheroni con le sarde*, a dish based on macaroni flavoured with a sauce of pine nuts, wild fennel, olive oil and cut-up fresh sardines.

Under the same DOC Etna a red wine is also produced. This is made almost entirely with *nerello mascalese* and is a warm, full, dry wine that can age up to some 15 to 20 years. In Sicily, DOC wines account for some 5 per cent of the total wine production. This may sound strikingly low, particularly so if compared with the 20 per cent of Veneto and Tuscany and yet, in Puglia, one of the largest wine producing regions of Italy, DOC wines account for only 2.5 per cent of the total production.

The national average is just over 11 per cent but we must not forget that the regulations disciplining the production of wines of Denomination of Origin was passed only in 1963 and that in any case this status would apply only to wines of substantial quality. While the Denomination of Origin status is certainly a reassurance for the consumer, not having such status does not imply poor quality. This is particularly so for branded wines.

One of such wines is Corvo, produced by the house of Duca di Salaparuta. The Duke of Salaparuta first started to make Corvo wines in 1824; they were named after his largest vineyards, situated at Corvo, near Casteldaccia, about 20km from Palermo. Both the white and the red are a blend of a number of grapes from a vast area of Sicily. They retail in Britain at less than £3 a bottle and are good value as they are of excellent quality and enjoy a good reputation throughout the world.

Other pleasant wines available in Britain are those of the Settesoli cooperative situated near Menfi; rather inexpensive, they too are a blend of different grapes from an area of some 7,000 acres and are simply known as *rosso*, *bianco* and *rosato*, all three followed by the words *di Menfi* — *vino da tavola*.

Of the dozen or so DOC wines of Sicily, the Moscato are quite prominent. Moscato di Pantelleria is produced on the small island of the same name, known as the pearl of the Sicilian Channel, quite close to the Tunisian coast. This is a sweet aromatic wine of deep golden colour made from the muscat grape, also available as a sparkling wine and a fortified wine, the latter under the additional heading *passito liquoroso*. Similar are Moscato di Noto, produced in the southernmost tip of Sicily, and Moscato di Siracusa, made in the south east, a more delicate and velvety wine produced in limited quantity.

To promote Sicilian wines, the Sicilian region instituted some years ago the Club Paladini dei Vini di Sicilia, of which there is an active British chapter. On the occasion of the celebration of the bicentenary of Marsala wine in 1973, the Venetian Sam Woodhouse, Archdeacon of London and Canon of St Paul's Cathedral, a direct descendant of the Woodhouse family, was made a Paladino.

Dr Roncarati is the author of 'Viva Vino', DOC Wines of Italy, Wine and Spirit Publications, London SE1. (£3.50.)

Sicily Treasure Island

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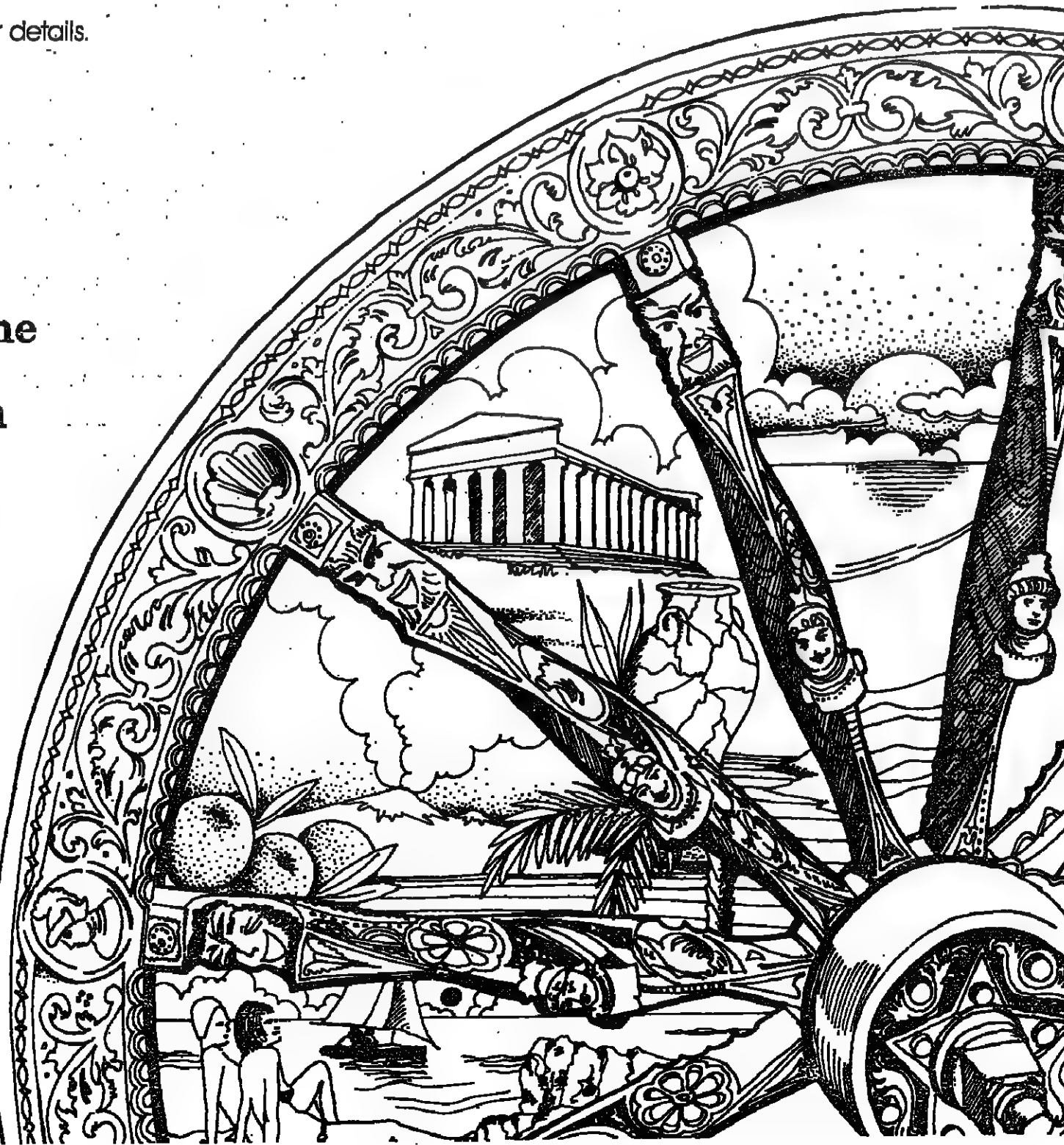
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Sadat, the courageous man of peace

by James Callaghan



Anwar Sadat and James Callaghan in Cairo in 1979.

In May, while my wife and I were the guests of Madam Sadat, I had a talk with the President about his future. He was, as always, straightforward and frank. He said that his term of office was due to expire in October 1982. He felt very well but said he did not have his former stamina. He had thought very carefully about whether to carry on.

His name was associated with so many projects, and there was so much pressure on him to continue, that he felt he would have to do so. He had recently taken over the responsibility of Prime Minister as well as President and I said to him that he could not possibly do both jobs indefinitely.

Surely he ought to give up the post of Prime Minister as soon as he could and emulate increasingly the method of President Tito if he were to continue as Egypt's leader.

President Sadat nominated a deputy prime minister, Fuad Mohamed, to preside over the cabinet and coordinate government policy. But it was clear that he was giving much more work to

Vice-President Mohammed Hosni Mubarak, whose wife is the daughter of a Welsh family from Pontypridd.

Now, in the light of yesterday's tragedy, Mr Mubarak will take over. He is a robust, soldierly, optimistic man who has concentrated on coordinating relations between the cabinet in Cairo and the governors of the provinces. He has also been Mr Sadat's chief link with the politicians in the party. He is a man of decision and if he is given the opportunity will, I am sure, do all he can to carry on the plans and projects the President had set himself.

But no one has the authority to replace Anwar Sadat. His simplicity, his calmness and his slight detachment from the day to day events which he cultivated enabled him to keep his eye firmly fixed on the long run of events.

He was a key figure in the Middle East. He held the Camp David agreement together, and that surely will be his permanent and lasting monument. I can conceive nothing more significant than the creation of peace between Israel and Egypt. From the

beginning I encouraged the Israeli Prime Minister, Mr Begin, and President Sadat to come to an agreement. History will record the great part that President Carter played in achieving this.

Of course there was great opposition from other Middle East states, but President

Sadat held firmly to his course and on more than one occasion he declined to criticize Israel publicly even when her actions infuriated the rest of the Arab world.

His attitude naturally aroused opposition among Egyptian politicians and I would not be surprised to see

Egypt moving slowly but surely towards a reintegration with the other Arab states, with the exception, of course, of Libya and Syria. This development will concern Israel very closely but my belief about the able men who lead Egypt today is that they will wish to sustain the peace agreement to recover the lost territory in Sinai and to continue to prepare a plan for Palestinian autonomy and eventual self-determination.

President Sadat's plan was that once the autonomy negotiations were concluded between Israel, the United States and Egypt that the plan should be left with Israel, the PLO and Jordan to implement. He was very much in favour of a simultaneous recognition by the PLO and Israel of each other. I believe Egypt will still wish to achieve this.

Secondly, in remembering what Sadat tried to do, I do not overlook his deep and sincere affection for the ordinary Egyptian worker and peasant.

In every conversation with me he emphasized that every Egyptian should enjoy social

security and full employment. He wanted desperately to improve the lot of his fellow countrymen and women. His death should give increased urgency to the talks between rich and poor nations to be held soon in Mexico.

I shall remember President Sadat as a simple, straightforward man, a good friend, a man who was happiest when he was with his family, and his grandchildren, who were always brought to see me when I visited him, a man who believed that the best interests of the Egyptian people would be served by peace and reconciliation in the Middle East.

He was a statesman who observed the world, and indeed on the last occasion we met he had his own opinions about the consequences of the rise of the Social Democratic Party in Britain.

Like everyone, he had his faults but he was a great and good man. His wife has great charm, intelligence and grace. I mourn for her and for Egypt.

James Callaghan was Prime Minister from 1976 to 1979. © Times Newspapers Limited, 1981

Henry Fairlie

How wise are Reagan's three wise men?

Washington

There is something deeply at fault with the American presidency at the moment, and undoubtedly the assumption of Mr Sadat only emphasizes why each American president so quickly becomes so vulnerable: the unavoidable tendency of presidential advisers to put all their master's eggs in one basket. The result is that if a Shah falls or an Egyptian president is shot, it is the basket and not just the eggs which lies broken on the floor.

But the genius of politics is that it creates a variety of institutions containing so many baskets that it hardly matters if a Shah or a Begin or a Sadat or an American president is shot out from under them. Dean Rusk once observed that each year there were about 54 changes of administration in countries around the world with which the State Department had to cope. But then a more pertinent question is whether the American president has ever put all his eggs into the basket of one regime. All of this became clear this week even before Mr Sadat was murdered.

To anyone who enjoys politics, the death of Mr Sadat was a fascinating event. Two of the most powerful committees in the Senate, foreign relations and armed services, both with Republican chairmen, were at loggerheads with the President: the first over his proposal to sell five A-7s to Saudi Arabia, the second over his long-awaited decision on the MX missile and the B1 bomber. In the House of Representatives, Mr Reagan's new budget cuts are in trouble. A protracted struggle over the environmental policies of his administration is building with its own fury.

In the end Mr Reagan will probably get from Congress a great deal of what he is asking. The surprise is not that he is in difficulty over the major issues which he now confronts. The surprise was that so many of his dazed followers ever thought he could avoid them.

The political resources of Mr Reagan's command are still formidable; but what matters is how much of the resources which he speaks of he has to devote to the struggle ahead. Whatever the rights or wrongs of the major policies which he has proposed in the past month, was it necessary that they should be so pre-empted by the opposition and determined opposition from so many sides?

What the country and the world now face is yet another weakening of a President before he has even got effectively into his stride. It is not to the point to place the blame for this on Mr Reagan. The source of the trouble is elsewhere: less in the president, whoever he is, than in the presidency. It lies in the White House, of course, but not in the Oval Office. It is a house where in different ways for every president since John F. Kennedy, the American President is now so protected by his own White House against the political realities with which he must cope that he receives conflicting advice too little and too late.

The final decision on the MX missile was taken a week ago last Monday after Mr Reagan had returned to the White House from an engagement in New Orleans. It was taken at a meeting with him were only Casper Weinberger, the Secretary of Defence, and Reagan's three top advisers in the White House: Edwin Meese, James Baker and Michael Deaver. The decision was then communicated to George Bush, the Vice-President, Alexander Haig, the Secretary of State, William Casey, the director of the CIA, and David Jones, chairman of the Joint Chiefs of Staff. That

is all; at least all that counts.

The three White House advisers were the majority at the time of the final decision. And why not, it may be asked? Surely it is the advice of his trusted political lieutenants that a president needs at such a time and not the still conflicting opinions of the generals or admirals or even other departmental chiefs than the one immediately involved. By that stage, the decision is political. The experts have spoken before, now raw politics must decide. That would be all very well if the lieutenants in the White House were genuinely political.

But more and more presidents take into the White House, and place around them, only the advisers who helped them to win their elections. It is therefore not political advice but electoral advice which they continue to get from their closest lieutenants.

Kennedy was surrounded by his Sorensens and O'Donnells; Nixon by his Ehrlichs and Haldemans; Carter by his Jordans and Powells. All were close political advisers in the White House.

One could hardly find two more difficult politicians or Republicans than Senator John Tower, chairman of the Armed Services Committee, and Senator Charles McNamara, chairman of the Foreign Relations Committee. The first is from the sun belt, the second from the frost belt. The first is a diehard right wing; the second is a diehard left wing. But one could not watch them this week, as each took on the President in open battle, without sensing the strength of the political territories from which they spoke. One does not trifle with men who have firm ground beneath their feet.

What is out of kilter in the American system now is that the advisers in the White House seem to be men who have no political life outside the White House. They are in office through the use of television and the close study of public opinion polls. But where is their territory? Voters are important. But voters are not only voters. It is where power lies after elections.

One could comb through the present White House advisers, as through those of Carter, and not find a man with any territory of his own. Who is the main White House adviser on domestic policy? One Martin C. Anderson, who determines political decisions by the election rhetoric of his president, which he helped to supply.

Who is the main White House adviser on foreign policy? One Richard V. Allen, who, as the head of the National Security Council, has no political credentials other than himself.

One hesitates to say it, but there is a "credibility gap" far beyond the mistakes of a Johnson or a Nixon about American leadership. The American presidency has no real political territory beyond its own fragile electoral support. It has no ballast. One is reminded of Macaulay's pathetic words to his American correspondent, H. S. Randall: "Your constitution is all sail and no anchor."

No anchor, no ballast, no territory on which to fall back. © Times Newspapers Limited, 1981

My life has been the story of Egypt

by Anwar Sadat

In his autobiography, Anwar Sadat described his life as the story of Egypt since 1918, when he was born in the village of Mit Abul-Kum.

Everything made me happy in Mit Abul-Kum, my quiet village in the depths of the Nile Delta, even the cold water in the winter when we had to leave at dawn for the special canal that filled to overflowing for no more than two weeks, the "statutory" irrigation period, during which all land in the village had to be watered. It was obviously necessary to do it quickly and collectively. We worked together on one person's land for a whole day, then moved to another's.

The main thing was to ensure that at the end of the "statutory" period all the land in the village was irrigated.

That kind of collective work—wish and for other men, with no profit or any kind of individual reward in prospect—made me feel that I belonged not merely to my immediate family at home, or even to the big family of the village, but to something vaster and more significant: the land. It was that feeling that made me, on the way home at sunset, gaze at the evening scene with a rare warmth, recognizing an invisible bond of love and friendship with everything around me—the smoke rolling down the valley promising a delicious meal at the close of a village day, and a perfect calm and peace in the hearts of all.

I cannot say that during that early period of my life my political consciousness had matured or even taken shape. I shared the patriotic feelings of all Egyptians, of course. I took part in the demonstrations, the smashing of plates and burning down of farms, and the chanting of slogans calling for the removal of Ismail Sidki Pasha and the reactivation of the 1923 Constitution—but I did not even know what that Constitution really was.

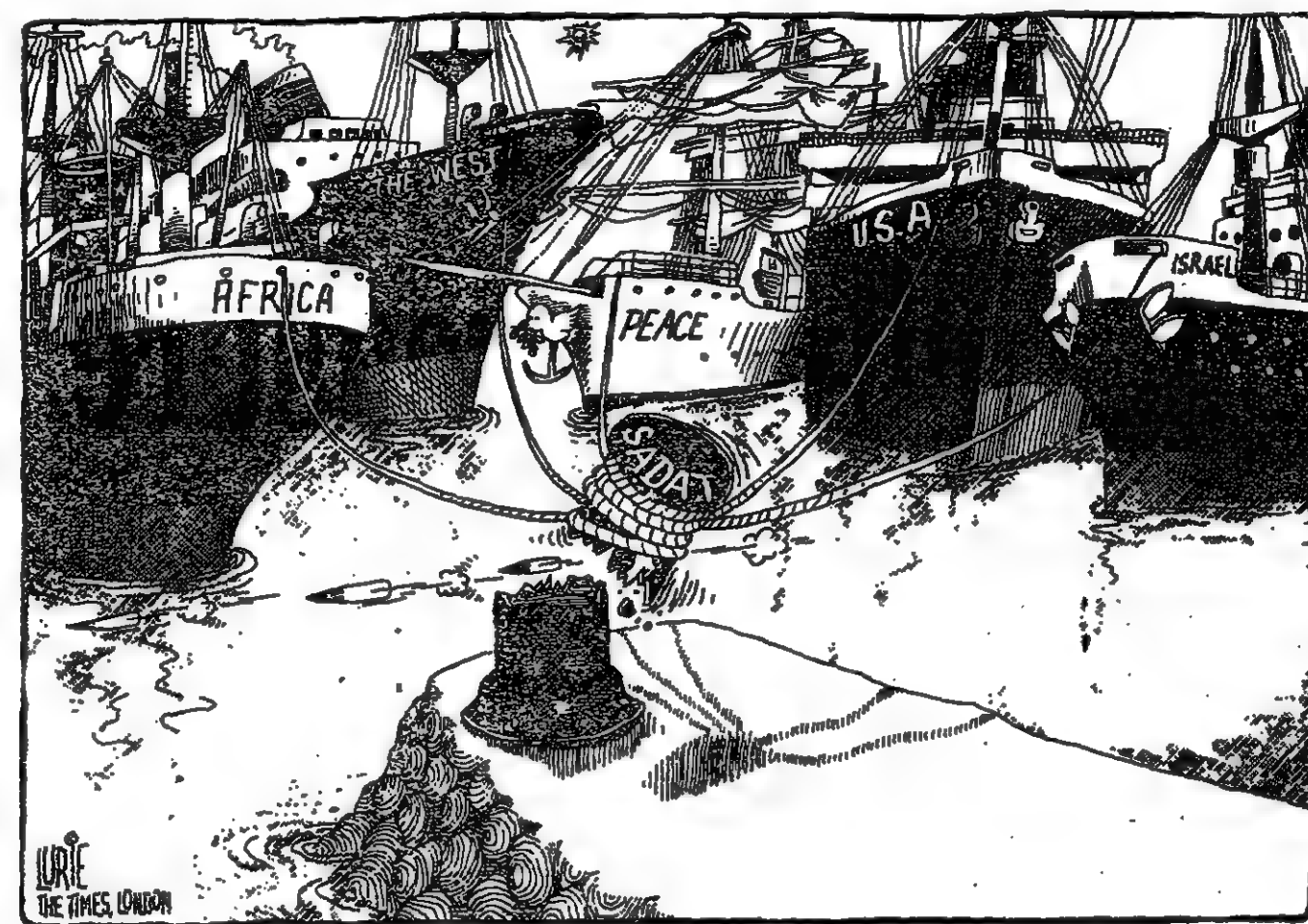
I can say, however, that a certain feeling had struck root in me by the time I left school—a hatred for all aggressors, and a love and admiration

for anyone trying to liberate his land. I remember that in 1932 Gandhi passed through Egypt on his way to Britain. Reports of his struggles, past and present, filled the Egyptian newspapers and magazines. I was struck by his character and fell in love with his image. I began to imitate him. I took off my clothes, covered myself from the waist down with an apron, made myself a spindle, and withdrew to a solitary nook on the roof of our house in Cairo. I stayed there for a few days until my father persuaded me to give it up. What I was doing would not, he argued, benefit me or Egypt; on the contrary, it would certainly have given me pneumonia, especially since it was a bitterly cold winter.

He described his first imprisonment by the British during the Second World War as follows: "I passed through the gates of the Allens' Jail for the first time on 26th Ramadan, AD 1942. Commonly believed to be the 'Night of Power' mentioned in the Koran, the eve of 26th Ramadan is a religious occasion which we observe in Egypt, particularly in rural areas, by serving a duckling, a goose, or a couple of capons (according to one's means) to break the fast. The Allens' Jail was reserved for cases connected with the war. Britain was fighting, and its governor was one Mr Hickman, a British national of Maltese extraction. I went to my cell, which was on the first floor, and shortly afterwards, my orderly brought in some food. At sunset I performed the evening prayer, then broke my fast.

Until then I had felt more or less normal; I was hardly conscious of my sense of shock. Only when I had had my meal and smoked a cigarette (smoking being allowed, exceptionally, in that jail) was the full impact of the shock brought home to me. I felt utterly lost. What was I going to do?

On the death of President Nasser, it was obvious that Nasser forced himself to make the effort. When the Amir of Kuwait boarded his plane, Nasser could not move at all but simply stood stock still in front



of the aircraft, perspiring heavily and looking very pale indeed. He asked for his car to be driven right up to where he stood and take him home, which we did. I said goodbye to him on the understanding that we would leave for Alexandria the next day for a rest. I went home but before I could get any rest myself Nasser's private secretary rang me up to tell me that Nasser would call to have supper with me. I tried to get some sleep. But I was woken up, at 5.30 pm, and told that I had been asked to go to President Gamal's home for a very important reason. I changed quickly and went to Manshiat al-Bakri. I was immediately shown into Nasser's bedroom. He was lying in bed, surrounded by doctors. They told me he had died an hour before. I lifted the bed-cover to see his face—it looked very much alive, as though he were simply fast asleep.

I put my cheek against his but did not feel the chill of death. I turned to the doctors and said: "It's not true... What you're saying is wrong... It can't be right!"

On Saturday October 6, 1973, Marshal Ali called. It was precisely 1.30 pm, as agreed, and we drove together to an army jeep (I wore my military uniform) to the Ops. Room. We arrived in a few minutes and I sat down with him as C-in-C, on my right. Our instructions, based on the expert opinion of Ismail law, were that nobody should be fasting—but I wasn't sure this was the case. "Why aren't you smoking?" I asked the assembled group. "Why isn't anybody having a drink of some kind? This operation requires utmost attention and concentration." I noticed they were very embarrassed, so I ordered some tea for myself and lit my pipe—whereupon they began to smoke and ordered tea. At 2.0 pm sharp, the Zero Hour, we had cut across the Canal, a microphone report came in saying that our aircraft had set off.

The air strike, in accordance with the plan laid down, was a complete and stunning success. It surprised us, in the first place, by achieving 90 per cent of its targets; and it was equally surprising to Israel, and the world—both East and West. The Soviet Union had estimated—on the basis of the reports

submitted by Soviet agents before they left Egypt—that in any future war the air strike would cost the Egyptian Air Force no less than 40 per cent of its entire strength, and achieve no better results than 30 per cent. This estimate by the Soviet Union was meant to intimidate us and make us feel utterly unequal to the task. They had no confidence at all in us, just as we had lost confidence in them.

On his historic first visit to Israel, My plane took off from Abu Suwayr airfield in the Canal region and, in less than ten minutes, landed at Lod airport. I was in Israel. Disbelief prevailed and people were practically stunned. The minute I stepped out of the plane, I found myself face to face with Golda Meir, who had cut short her U.S. visit in order to see me on arrival. We exchanged greetings. I saw Dayan next—recognizing the man against whom I had fought the 1973 battle. Then Abba Eban, and General Ariel Sharon, who had led the famous counter-attack. "If you attempt to cross to the West Bank again," I told him, "I'll put you in jail!" "Oh, no!" he said, "I'm Minister of Culture now!"

Next I spotted Mordechai Gur, the Israeli Chief of Staff, who had warned that my visit was a trick designed to camouflage an imminent attack. The moment I saw him, I explained that I never practise ethical deception; strategic and tactical deception I can accept, but ethical deception never.

On the outcome of his peace mission: But what of the outcome? Did my plan come off?

My major target is to put an end to the crisis in the Middle East by solving the Palestinian problem and effecting a withdrawal from the Arab land occupied in 1967. I shall always be guided by the principle of just peace and am willing to make any effort, and any sacrifice necessary, however long the process may take. If it turns out to be a question of one side trying to impose its will on the other, let me affirm that, just as I stated my willingness to go to the end of the world to achieve peace, so I would be willing to fight to the end of the world for the same target.

Extracted from In Search of Identity—An Autobiography by Anwar el-Sadat (Collins, 1978).

In war, in peace you need his help



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Boycott time at the Literary Review

Mr Naim Attallah, the Palestinian publishing tycoon, who recently parted company with Dr Anne Smith, founding Editor of the Literary Review which he had bought, is about to discover that the magazine without its editor could be but a pale shadow of its former self. Many of the magazine's roll of distinguished writers have been in contact with Dr Smith to say they will not write again for the monthly without her. Among those who are quitting with the editor are such household names as Dame Rebecca West, Malcolm Bradbury, Colin Wilson, Professor David Lodge, Dannie Abse, Kenneth McLeish, Frederic Raphael and Margaret Forster—in short, virtually all of the magazine's principal attractions.

Many readers have also been in touch with Dr Smith to offer support and she is now discussing a number of approaches to start a new magazine. She is presently searching for long-term finance and for a new title—having toyed with and discarded the Literary Review.

Junior choice

This week is Children's Book Week, designed to show children that books are fun. If, however, you feel that your children are rather past the "fun" stage, since they are already earning more than you, designing stamps, or doing 18 months in Garmar for embezzlement of the house-keeping, here is a list of current titles which may be more suited. They are all available from The Freccious Press, a subsidiary of the Haven Books, Box 10 U. Yaduz.

● The Mole Who Lived in a Sports Car by Nikki Winterton. Marianne, a

THE TIMES DIARY



More transatlantic traffic among the magazines that make up the Hearst Corporation's extensive stable. In the wake of the new time that The Comissure, the monthly fine art magazine, is moving west to USA. I hear that Science Digest, a highly successful American popular science monthly is travelling east.

The magazine, which has a circulation of about 150,000 copies in America, is to be promoted in Britain for a three-month trial period. It is known there for its flamboyant approach to science with such articles as "Sex in Space", "Actual Experiments", "Human Fireballs", "People Who Burst Into Flames", and "Machines To Read Your Mind".

not-very-important-but-patriotic-mole, thinks that mogul-mole John is breaking his promises to his subjects in Watership. County Down, So Marianne tells all to the stainless steel gull-winged wizard in London. What follows is a delightful tale in which right and wrong are deliciously confused.

● The SDP Translators' Guide. The first of what we are told will be an annual publication. Translating had given way, as a pastime, to jet-setting, but we are all glad to see it back. Nice pictures of the Four (1-1-1-1 formation), City of Perth, City of Bradford, and the Devonian. Pictured in Plymouth this last is a collector's item as it may soon be withdrawn.

● Clever Hans and the Magic Chat-shot, by M. J. Parkinson-Carson. Clever Hans, of course, was the little

boy who lived in the flat above Sigmund Freud, which is how he got to be so clever. Hans eavesdropped when all the famous neurotics of fin de siècle Swiss Cottage came to unknown themselves to the great man. Years later, when BBC 2 were searching for a rival to the great chatshows on BBC 1 and ITV, Clever Hans filled the bill to perfection. His 13-part series on David Frost's ego (transcribed here in full) is a masterpiece of the genre.

● Brer Rabbit's "Gambling made Easy", by Vikki Lowes. Full of pretty geometrical patterns in red and black and with many pictures of kings and queens, this little book may be seen as a simple introduction to mathematical elementary financial principles (a whole chapter on why you should not issue dud cheques).

The Liberal Party and basic French (it is so important for the child who really wants to be precocious to realise that *chemin de fer* is a phrase found not only in the SDP Trainspotting Guide), Vikki's book comes with a set of dice, two tickets to Atlantic City and a false passport. This is the only book that is really FUN.

There are hopes that the magazine can eventually sell 50,000 copies a month—if this proves successful a British edition could be launched next year.

John Maddox, the editor of Nature, the resolutely serious-minded, interdisciplinary scientific journal, told me yesterday that recently there has been a tremendous growth of interest in popular scientific magazines in the USA. "I will be fascinated to see if they make a go of it," he said. "Since nobody in the States understands why these popular magazines have sold so well, it may be a bit of a risk to try the same thing in this country."

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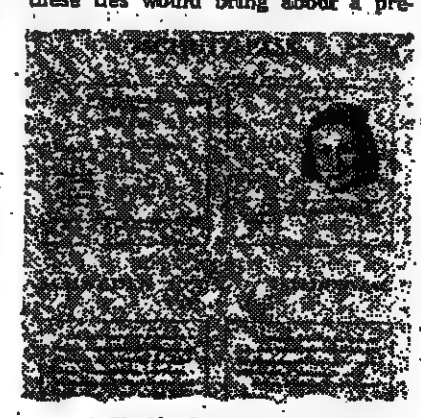
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However, New Scientist, Britain's weekly science news magazine, has enjoyed a steadily rising circulation in recent years. Last year's average weekly sale totalled 85,000.

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that the Russians confused the diplomat with his cousin, Jakob Wallenberg, whom they knew to be the principal western contact for the Swedish underground in Germany. Moscow was deeply concerned that these ties would bring about a pre-



A Wallenberg passport, mature overthrow of Hitler and his replacement by a pro-western regime which would dwarf its territorial ambitions in Eastern Europe. But, having seized the wrong Wallenberg, they were too embarrassed to admit the mistake and release him. Sounds like the whole family should be honoured.

Let sleeping Lords Surprise among journalists covering the Prime Ministers' Conference in Melbourne yesterday, when they besieged Nicholas Penn, Lord Carrington's Press Secretary, for a reaction to the assassination of President Sadat. Penn's response, a leaf out of President Reagan's book at the time of the Gulf of Sirte attack, Penn declined to wake the Foreign Secretary.

Peter Watson



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

HE WENT TO JERUSALEM

Political assassination has become regrettably commonplace in today's world, but the assassination of President Sadat must shake even the most hardened commentators from such grisly complacency. Not since John F. Kennedy died, nearly eighteen years ago, has the world been brutally robbed of a statesman so well known, or of one who had shouldered the burden of so many people's hopes. Sadat no doubt had more enemies than Kennedy. His murder is therefore less surprising, objectively. He was also, by most standards, a less powerful figure, the leader of a small impoverished country rather than of a superpower. Yet the sense of shock one feels is hardly less than it was then, and it is perhaps fair to say that Sadat has made a greater mark on the world in eleven years as President of Egypt than Kennedy was able to do in less than three years as President of the United States.

The Middle East conflict has a special resonance in the world, or at any rate in those parts of the world where the three great monotheistic faiths that have their origins there are followed. Almost everyone's emotions are engaged by it to some degree, whether through partisanship for one side or the other, or through compassion for the victims on both sides and shame at what is done in the name of faith, and too often in the name of faith, or at least through fear that conflict in the Middle East will sooner or later ignite a world conflict that could destroy us all. Almost everyone's imagination must have been caught, in some degree, by the boldness and grandeur of Sadat's gesture, in November 1977, when he broke twenty years of Arab taboos and went, in the full glare of publicity, to the house of his enemy, saying: "Let there be no more war."

Even in those Arab countries whose governments were loudest in condemnation of the "Trip of Shame" one could sense, at that moment, admiration for the courage of a man, however foolishly, who was prepared to ignore the risks and make a break for peace by the direct route; and even in the most sceptical Arab commentary an undercurrent of willingness to be proved wrong. But that moment was only a moment, during which the laws of the Middle East seemed to be suspended. Too soon the waters of the Red Sea closed again over the route to

the Promised Land, and the ordinary rules of double talk and cynical bargaining were once again in force.

Sadat was not exempt from those rules. But at least he made the attempt to rise above them. His lack of interest in detail was often the despair of his advisers and subordinates, but was perhaps the true mark of his greatness. The crudity of his pronouncements often embarrassed his more sophisticated countrymen, yet it often betokened a different kind of sophistication which in the end is more valuable. Sadat had an instinct which told him that in extreme situations half measures will not do. Having discovered that the Soviet Union was unwilling to help the Arabs achieve military victory over Israel, and unable to help them achieve a peaceful settlement, he drew the logical conclusion: the Soviet card had to be discarded. The American card had to be played, and everything had to be staked on it. The October war was necessary to make America take Egypt seriously; but once that had been done the important thing was to convince America that Egypt was a sincere friend, and sincere in her desire for peace, without mental reservations.

Similarly, once he had convinced himself that he had to deal directly with the Israelis, Sadat's instinct was to put all his cards on the table, to cut through the web of bargaining positions and outline what seemed to him an equitable solution for both sides. Unfortunately his Israeli hosts did not respond with the same degree of boldness and generosity. Mr Begin's proposal of "self-rule" for the inhabitants of the West Bank and the Gaza Strip was imaginative in a technical sense, but was not calculated to seize the imagination of the Arabs in the way that Sadat's gesture had seized that of the Israelis. What was needed from the Israeli side, and what Sadat undoubtedly hoped for, was a recognition of the right of the Palestinians to exist as a people, in an independent state if they so wished, provided they were prepared to live in peace with Israel. If that gesture had been made, the broad sweep might indeed have carried the details along with it, as Sadat always felt it should, and the multiple objections of all sorts might have been overcome. We do not know yet the precise motives of yesterday's assassins, but it is reasonable to think that the loyalty of the

Egyptian armed forces to their President would have been stronger if his peace initiative had borne the glorious fruit of a Palestinian settlement, rather than the somewhat inglorious one of a separate Egyptian peace.

Now Sadat is dead. But, for the moment, that is all. He has not been overthrown by a revolution, or even a coup d'état. The institutions he set up and the men he promoted remain for the moment in place. The great question as yet unanswered, is: how much of his work can be preserved or carried on now that he has gone. Changes of detail will surely be, and some of them will be healthy. One hopes they would include an amnesty for all those arrested last month against whom there are no specific charges of crimes of violence. That would enable the new government to start work in a clearer and freer atmosphere, with some hope of broadening its base of support. One must hope, on the other hand, that there would not include an abrogation of the peace treaty with Israel. Glorious or not, this remains vital to Egypt's interests and a beacon of hope for the rest of the world. Leaving aside the longer term questions, Egypt's immediate interest must be to convince the Israelis that peace does not, after all, depend on the life of one man, and so to give them no reason to delay the final withdrawal from Sinai which is due next April.

Beyond that, it is to be hoped the new government, not carrying the special, if undesired, odour attaching to Sadat, will be able to repair the breach that has opened between Egypt and most of the Arab world since 1977. There can be no doubt that both Egypt and the Arabs suffer from this, and that neither will benefit from a prolonged argument about whether Sadat was right or wrong. No Arab state, except perhaps Libya, is officially against any Arab-Israeli peace; and most Egyptians would like to help other Arabs achieve the kind of peaceful settlement with Israel that they want.

A comprehensive peace settlement in the Middle East, taking account of the rights of the Palestinians, is surely the memorial that Sadat would most desire to see built on his tomb. All those who admired his efforts for peace, whether in Israel, in the West, or elsewhere in the world, owe it to him and to themselves to strive to bring that about.

PATHFINDER FOR A YOUNG PRETENDER

Mr Edward Heath is an elder statesman who sounds too often like an aspiring politician. He deals frequently at an appropriate level of high seriousness with the national and international issues that ought to be pre-occupying our own and other governments. His attachment to the European Community has been admirably forthright and unwavering. His concern for the problems of the Third World has been displayed not only in his membership of the Brandt Commission but also in the tenacity with which he has continued to press recommendations upon governments and public opinion. In his analysis of Britain's economic ills he has much of value to offer in terms both of critical comment and constructive suggestion, as he demonstrated in his devastating speech to Conservative students at Manchester yesterday. Of all the Conservative voices that are warning against reliance upon rigid monetarist doctrines his is the most weighty.

Yet it is not the most dangerous voice that will come to Mrs Thatcher's ears because, although it may be the statesman who is speaking, it is the politician who is heard. That is certainly the case within his own party. In the country at large he may well have preserved his credit to a greater extent. But in

Conservative circles his words are largely discounted as the expression of personal frustration at his exclusion from power.

Whereas Lord Home earned a special place for himself in the affections of the Conservative Party by the readiness and loyalty with which he served under his successor as party leader, Mr Heath has never been forgiven for refusing to join Mrs Thatcher's team. From time to time there have been token reconciliations in public. Sometimes it has seemed that a reconciliation of substance, even perhaps some kind of partnership, might develop. But these hopes have always been dashed. The policy differences have been too great and the philosophies of leadership too dissimilar. Mr Heath's hymn to "consensus" last night provoked, even before it was uttered, Mrs Thatcher's blistering retort from the antipodes.

Mr Heath has never seemed fully to accept Mrs Thatcher as leader of the party, and she cannot fairly be blamed for failing to offer him a post in her Cabinet after she won the last election. Had she included him her administration would have been even more divided than it has been. The relationship would quite simply not have worked.

But because everyone knows that it would not have worked, and that Mr Heath

cannot therefore reasonably expect to hold high office again so long as Mrs Thatcher remains the Conservative leader, there is an understandable tendency within the party to assume that his criticisms of policy are motivated by personal calculation. It is widely believed that while he may speak as an elder statesman he is not content with that role. So whenever he launches an attack upon the government, no matter how forcibly reasoned it may be, there is an inclination among Conservatives to respond: "Well, he would say that wouldn't he?"

This means that Mr Heath is not the person best placed to lead a rebellion against Mrs Thatcher. But the substance of his criticism may nonetheless undermine confidence in her policies. He is expressing anxieties which are shared by many others who are known to be more disinterested. This time the Conservative reflex which brands him as disloyal will be struggling with a growing suspicion in some of the same minds that he is saying exactly what needs to be said. Mrs Thatcher may be able to shrug off his attack, but that will not dispose of the anxieties. What she has to fear is not defeat by Mr Heath in single combat, but that others will use the weapons he is fashioning to greater political effect.

New lap in the arms race

From Mr Michael Rubinstein
Sir, Some people say that Afghanistan would not have been invaded if it had had a nuclear weapon as deterrent. Perhaps, but on that view all vulnerable nations, however poor, should build, buy or be provided with a nuclear deterrent, no matter how unsound the regime, how wild or irresponsible its governors. Such nonsense does not merit argument if peace depended upon the ability of economically weak nations to protect themselves against attacks by powerful ones it would always be hopelessly fragile. In reality it depends upon the fluctuating interests, actual or imaginary, of the powerful ones.

Your Defence Correspondent reports (October 3) that "Presi-

dent Reagan's decision to procure the Trident-D-5 missile will almost certainly prompt Britain to follow suit, adding at least another £1,000m to the Government's strategic weapons bill."

Everyone seems to agree that the current arms race is lunacy. Why then is not everyone in this country questioning what Britain is doing in it?
Yours faithfully,
MICHAEL RUBINSTEIN,
6 Raymond Buildings,
Gray's Inn, WC1.

Common Prayer Book

From Sir William van Straubenzee, MP for Wokingham (Conservative)
Sir, Mr Denzil Galvin is surely not right (article, September 26) in suggesting that it was the private

members' Bills promoted by the Prayer Book Society in the Lords and Commons which safeguarded the regular use of the old prayer book for those who desired it.

First, no such private member's Bill passed into law. Second, it was the Church of England itself which offered to Parliament through the Worship and Doctrine Measure, 1974, the guarantee that the Book of Common Prayer could only be abolished by Act of Parliament. This was freely preferred and gladly accepted. It seems ungenerous, to say the least, to infer that it was the Church of England who was anxious to abolish so incomparable a part of our heritage.
Yours faithfully,
W. R. VAN STRAUBENZEE,
House of Commons,
October 1.

Reselection of Labour MPs

From Mr Frank Field, MP for Birkenhead (Labour)

Sir, At last week's Tribune rally pleas were made for the newly elected National Executive Committee not to fulfil requests for its remaining Bennite members. This plea came a day or so after press reports of the drawing up of a "death list" against those MPs who would not vote for Tony Benn in today's issue (October 5) your report that angry Tony Benn supporters now intend to try to increase their influence in the constituencies where MPs have still to go through the reselection process. "The object will be to ensure that those opposed to Mr Benn's argument that the Parliamentary Labour Party should follow conference decisions and that MPs should be accountable to their local party do not get reselected." Before any local party responds to this call I hope they will consider carefully what the full consequences of such a policy might be. I am a long-time supporter of the need to reselect MPs, but recently the arguments about reselection have changed. It was originally presented as a way of removing incompetent and lazy MPs. Now reselection is being talked of as a way of remodelling the Labour Party into a vanguard party.

The advances we have made on economic party democracy will be put at risk if MPs are refused reselection because of their unwillingness to genuflect to a personality cult. Along with support for reselection I have always believed that MPs have a final court of appeal and that is the electorate. If in the coming months reprisals are taken against MPs with good constituency records I hope they will consider fighting by-elections rather than an alternative strategy of continuing the fight outside the Labour Party. If they fight as the sitting Labour members they should be supported by loyal members of the Labour Party which will, of course, include MPs. After they have been re-elected they will apply to the PLP for the Labour Whip. And as each campaign may result in a new local party growing up around the MP it will be up to the new National Executive Committee to decide whether to support a Member and to support that local Labour Party which has gained the endorsement of Labour voters.
Yours faithfully,
FRANK FIELD,
House of Commons,
October 5.

Celtic courtesy

From Mr J. M. Bowley

Sir, In view of the space given to football hooligans, you may be glad to hear that a crowd of Glasgow Celtic supporters boarded the Dieppe ferry on the evening of October 1. Instead of the crew bawling down the battens the passengers taking to the lifeboats witnessed, without exception, good grace, humour, kindness and consideration, the like of which I have not seen in 35 years of observing the behaviour of cricket, rugby and soccer supporters.
Relieved passengers, a pleased ship's crew and a delighted party of disabled children from Chalfey House can testify.
Yours faithfully,
J. M. BOWLEY,
10 Woodcote Green,
Fleet, Hampshire,
October 2.

Closed churches

From Mr Elystan G. Phillips

Sir, I am not prepared to speak for Suffolk, but Mr Peter Brooke (October 5) should try The Church in Wales.
Early in August I visited eight churches in Breconshire and Radnorshire. Though several of them were situated in remote places ("valent le détour") yet seven of them were open, and the eighth had a notice saying clearly where the key could be obtained.
Yours very truly,
ELYSTAN G. PHILLIPS,
Vine Cottage, Darsham,
Saxmundham, Suffolk.

Staying afloat

From the Chairman of British Shipbuilders

Sir, Your article on September 21, "Can British shipping keep afloat?" made comments about British shipbuilding and a number of basic manufacturing industries which merit reply.

It was stated that UK shipbuilding has been "swept away" since the war by superior manufacturing performance in Japan, Germany and some other countries; that UK shipbuilding has "gone down the drain".

If market share is the criterion upon which you assess the performance of the industry, as appears to be the case, it is hardly possible to hold up West Germany as a shining example since its market share fell from 19 per cent in 1955 to 3 per cent in 1980, a trend which matches that of the UK's. However, the statistics you use cloak the fact that many foreign nationalistic countries decided to build locally, causing a great increase in overseas building which reduced our proportion; we are now building about 33 per cent of the tonnage we built in 1955, which paints a slightly different picture. So we must look further for the explanation of why the shipbuilding industries of the UK, West Germany and indeed the rest of Western Europe have experienced this calamitous decline.

The answer is that from the early 1950s the Japanese shipbuilding industry set out to win a dominant market share by what

How SDP should choose its leader

From Mr Tyrrell Burgess

Sir, I hope Professor Rawlings (October 1) is wrong and that most SDP members will understand why the leader of the party in Parliament, and thus any potential Prime Minister, must be elected by Members of Parliament alone. The short point is that in our system the Prime Minister must be one who has the confidence of the House of Commons, because the House of Commons is directly elected by the people. To interpose another body, the party, into that relationship is to undermine, not extend democracy.

The point comes out well in Professor Rawlings' own letter. When the party in Parliament is small, he says, it "cannot reflect the range of opinion in the party as a whole". But opinion in the party is only one of the things MPs must consider. More important is the opinion of their constituents.

A political party is a serviceable dredge for democracy. A party which seeks to impose its control on directly elected institutions cannot be trusted with power.

TYRRELL BURGESS,
Chairman,
Croydon Social Democratic Party,
34 Sandilands, Croydon,
October 2.

Independent schools

From Mr Lawrence Norcross and others

Sir, We write as head teachers of secondary schools within the maintained sector of education. In a letter to *The Times* earlier this year, the Chairman of the Independent Schools Association wrote: "An attack on independent education would pose a threat to both academic freedom and individual freedom."

This indisputable fact would, we hope, unite people from both sectors of education in opposition to the Labour Party's current obsession with educational "privilege". The existence of an independent sector could well prove to be the most effective safeguard of us in the maintained sector have against future political control of education, from whatever direction it may come. We do not regard a state monopoly in the sphere of education as either educationally healthy or politically acceptable.

It is simply not true that all parents who send their children to independent schools do so because they wish to buy privilege. Many do so, at great personal sacrifice, in order to obtain for their children the sort of schooling of which they approve.

Neither is it a question of

Polish claims to peace prize

From Professor John Hutchinson

Sir, It is said, in the current discussions on the Nobel Prize for Peace, that Solidarity leader Lech Walesa is too controversial a figure to warrant the award.

One demerit of the counsel of timorous men, not least in the light of the debatable neutrality or perfection of past honourees.

But here in Gdansk there is an answer, on the floor and platform of the founding Congress of Solidarity. Whatever the achievements of Mr Walesa — and they are enormous and should be acceptable — there can be no doubt that the gathering here in Gdansk is one of the most inspiring and portentous in trade union history.

There is nothing in the record of organized labour to compare in quality and scale and promise — and danger dared and overcome, at least so far — with what Solidarity has done. It has carried the lamp and the word of freedom as none before it.

Solidarity itself deserves the Nobel Prize for Peace.
Faithfully,
JOHN HUTCHINSON,
Solidarity Congress,
Gdansk,
Poland,
September 27.

No mere father

From Mr Peter Hoos

Sir, The paternity of Lady Diana Cooper has never been in doubt, and was fully acknowledged by herself. Mr Ziegler merely confirms this "fact of life" and names my great-uncle as her father.

To castigate Harry Cüst as a "noble failure" (review, September 24), to suggest that his only claim to fame is the paternity of a beautiful, witty and intelligent daughter is modicora. Your reviewer obviously lacks knowledge of this era.

What of the Souls, who were the members of Wilfrid Blunt's Crabber Club? His editorship of the *Pall Mall Gazette* was cut short only by a disagreement over editorial freedom with his publisher.

I trust that Mr Hodgkin will read the definitive biography of Harry Cüst being prepared by Mr Paul Chipchase. This work will reveal the true strengths and weaknesses of Cüst, warts and all. The quotation from my godfather and cousin, the late Ronald Storrs, has been taken out of context.

Lady Diana has assisted Mr Chipchase with his research — and only shown pride, and happy memories of Harry Cüst.
Yours faithfully,
PETER HOOS,
Somerset House Farm,
Leicestershire.

Custodial sentence

From Captain R. Hamilton

Sir, Mr McCarthy's concern (October 5) at the influence of accommodation problems on custodial sentences is shared by many. But his conclusion that "expediency must never displace justice" is with respect, somewhat unrealistic.

Conviction is a matter of law, sentencing a matter of policy. Law is what wins in court; it is (or should be) ascertainable, and its outcome affected only by adequate and admissible evidence. Policy is susceptible to many subjective and abstract influences, of which "justice" and "expediency" are only two.

If there are no vacant cells, offenders cannot be imprisoned. Some would call this a victory for "justice", others would say that "justice" required the building of more prisons. Whatever the then Government's decision, one hopes that it would embody both principle and expediency.

Yours faithfully,
ROGER HAMILTON,
West Dean,
Salisbury,
Wiltshire,
October 5.

Baker Street irregular

From Mr R. M. Maxtone Graham

Sir, The facts mystifying your correspondents (letters September 19 and 25, October 3 and 5) would seem less singular if looked at in the plural.

Thus, Watson had two Christian names, John being the first and, presumably, Hamish (Anglicised James), the second. He married two wives, *scrumptious*, not *bisexual*, and with a decent interval. He had two wounds, one in the shoulder, the other in the leg. Perhaps he had two calendars, one real and the other fictitious, to confuse his over-inquisitive readers.

As for the noble bachelor, he must have had two titles: "Lord Robert" by courtesy as younger son of a duke, and a barony granted to him *suo jure* and *visu parvis* as a reward for his public service as "Under Secretary for the Colonies in a late Administration". Elementary, really.
Yours faithfully,
ROBERT MAXTONE GRAHAM,
6 Most Sole,
Sandwich,
Kent,
October 5.

Trouble shared

From Mrs A. E. Mennell

Sir, Re your paragraphs about "Costs rise for married Prince" (October 3): when we married in 1940, my doctor father merely said to us "Do remember that from now on a penny bun will cost twopenny".
Yours truly,
ANNE E. MENNELL,
23 Rowland Close,
Wolvercote,
Oxford,
October 5.

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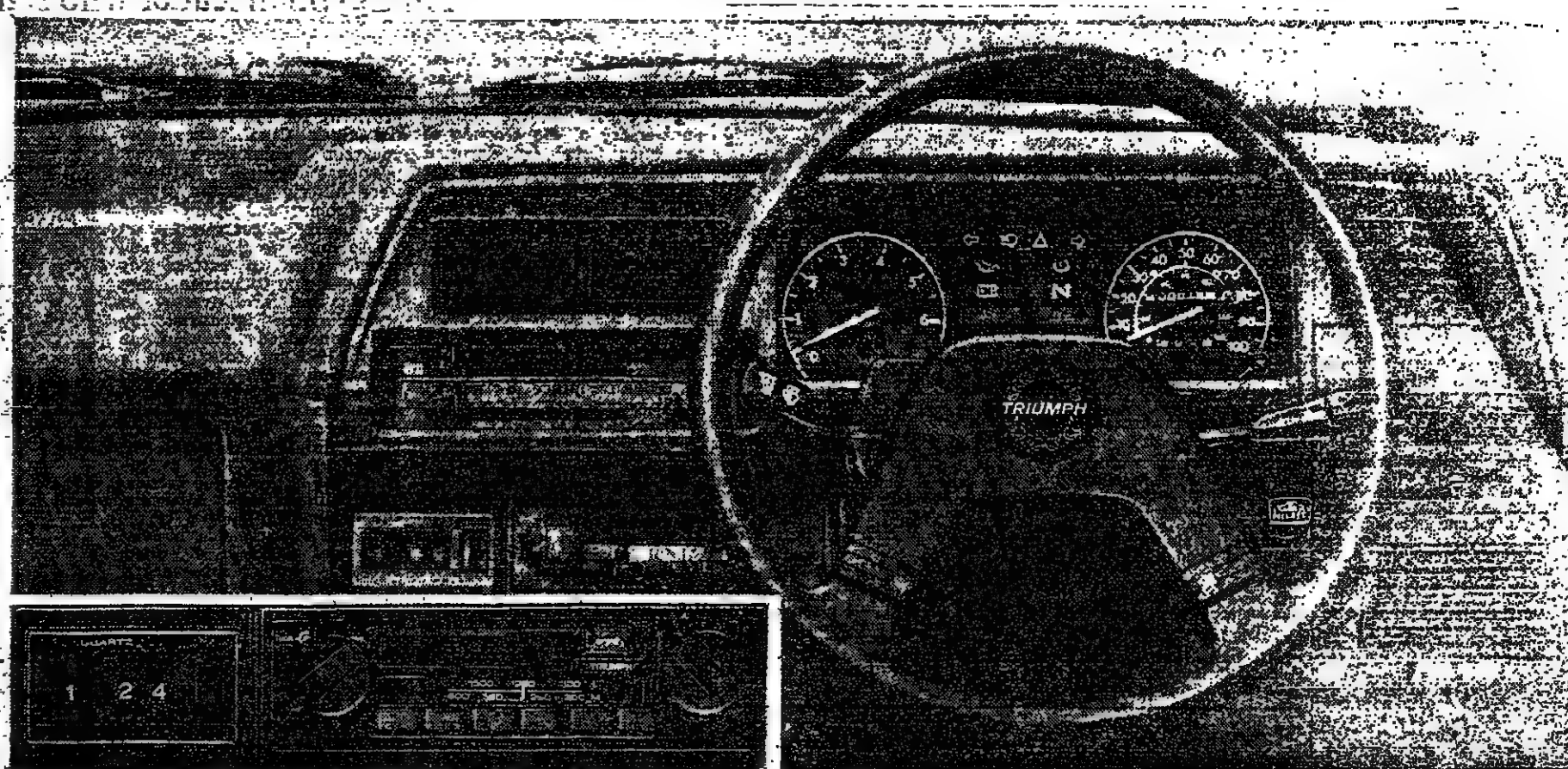
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Electric windows all round.* Fully carpeted interior. Single key for doors, boot and ignition.

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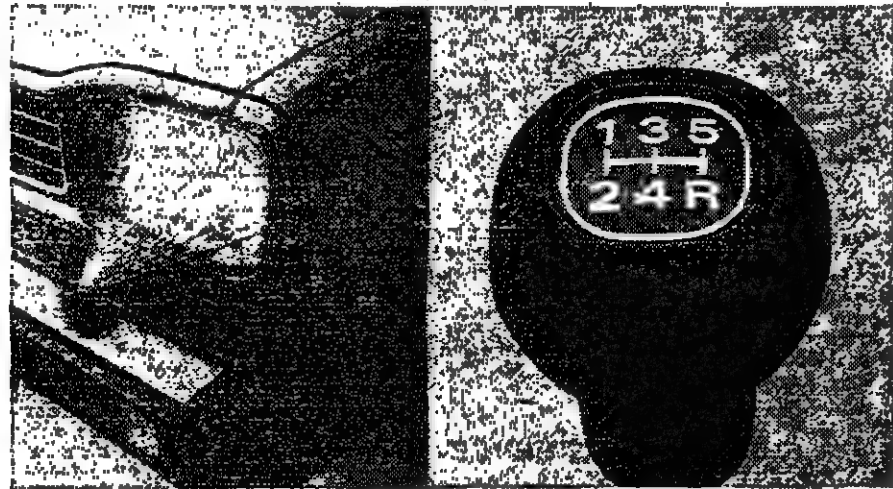
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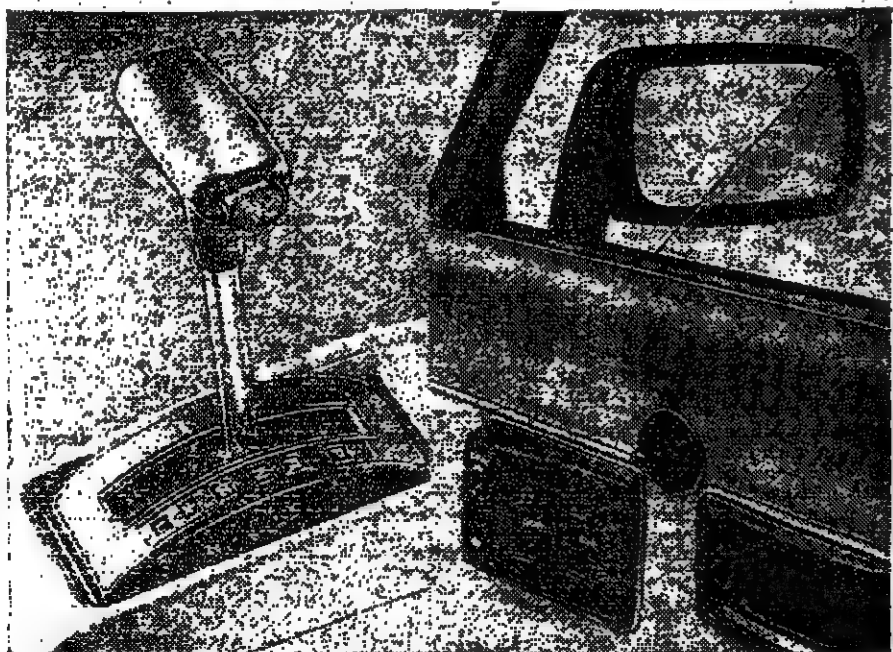
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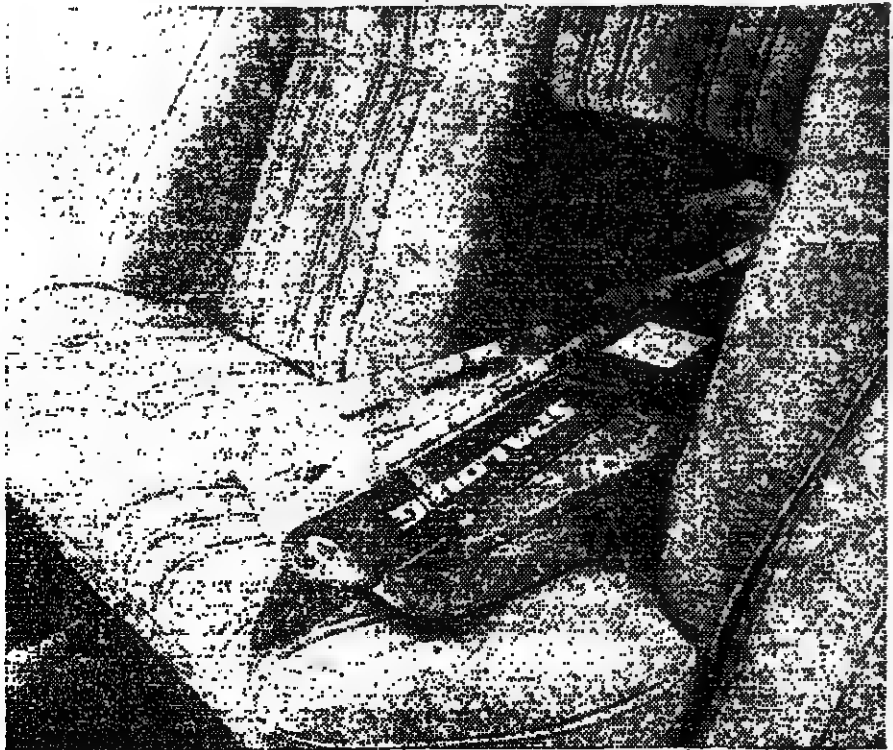


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IN BRIEF

Reuter likely buyer for US agency

The President of the company that owns United Press International, the news agency, said yesterday that he expected agreement to be reached for its purchase by Reuter, the London-based news agency. Mr. Ed Estlow, president of E. W. Scripps, made the forecast in a speech to editors at UPI's annual convention.

In July it was announced that Reuter was interested in buying UPI and that negotiations were continuing. Mr. Estlow said that a deal had not yet been made but "based on the levels of interest shown at the time, our expectations are that a satisfactory ownership conclusion will be reached."

Mr. Estlow said that Reuter was not the only bidder in the field. Industry sources in New York, however, believe that they are likely to be the eventual owners and that the delay in completing the deal is due to disagreement about the price.

Soviet block debts

Soviet block countries' debts in the West last March totalled between \$73,000m and \$75,000m and were expected to increase further, according to a new study by the Austrian Institute for Economic Research.

Japan steel spending

The Japanese steel industry plans to expand its capital outlays on plant and equipment from April next year, despite the present slump, as part of its effort to gain an advantage over steel industries abroad.

\$1.4m drainage deal

Bovis Civil Engineering has won a £1.4m contract to build a rising main, gravity sewer and storm overflow for Weymouth and Portland.

French bank strike

Paris bank employees staged a warning strike yesterday afternoon on the breakdown of negotiations for shorter working hours but the strike was not expected to affect banking operations.

Canadian oil supply

Canada could develop enough sources of crude oil in the next decade to meet domestic needs for 300 years and help to provide security of supply for all of North America, Mr. Jack Gallagher, the chairman of Dome Petroleum said.

Italian trade deficit

The Italian trade (E480m) deficit rose to a provisional 1,040,000 lire in August.

October 29 likely date for C & W hiving-off sale

By Bill Johnstone Electronics Correspondent

The Government has selected October 29 as the preferred date for the sale of 49 per cent of the shares of the state-owned telecommunications company, Cable & Wireless.

The sale, being handled by merchant banker Kleinwort Benson, is expected to raise about £175m.

The precise date depends on the behaviour of the share market before the end of the month.

The transaction has been one of the main tasks of Mr. Eric Sharp since he was appointed chairman a year ago.

The company, a principal partner with British Petroleum and Barclays Merchant Bank in a telecommunications consortium, is also expected to be granted a letter of intent by the Government giving it formal approval for the group's proposed network before the end of the month.

The consortium has applied for a licence to operate a telecommunications network carrying voice and data in the United Kingdom in direct competition with British Telecom.

Negotiations have been under way for several months under which the licence will be granted and the period over which it will be valid.

Three principal factors are under discussion. They are access to internal circuits, the right to carry international traffic independent of British Telecom and the level of

royalty payments, if any, to be paid.

Cable & Wireless returned a pre-tax profit of £62m for the financial year which ended in March. The company's turnover rose by 15 per cent although the small profits increase (£1m) was due largely to the unfavourable exchange rate.

The company intends to shed up to 40 per cent of its 2,000 United Kingdom staff over the next three years.

The consortium of Cable & Wireless, BP and Barclays Merchant Bank intends to invest £50m laying 1300 kilometres of fibre optic cable as the first phase of its network.

New onshore licences spread search for oil

By Peter Hill, Industrial Editor

Five new onshore oil production licences have been granted by the Department of Energy for areas in Staffordshire and Hampshire.

Shell UK has been granted licences to drill for oil in Staffordshire while the company also has an interest in a licence granted jointly with Voyager Petroleum (UK) to explore in Hampshire.

The fifth licence has been issued to a joint venture composed of Craig Exploration and Donholm Exploration to carry out drilling operations elsewhere in Hampshire.

Last year onshore production of oil amounted to about 240,000 tonnes — double



Mr. Sharp spearheading shares sale

among some Arab authorities that using oil money to buy large American companies might provoke anti-Arab sentiments in the United States.

The Kuwaitis have not only signalled their intent to develop a multinational oil company, but they have become the first Arab investors to buy a large corporation. They have tended to buy large shareholdings in companies — witness their 14.6 per cent stake in Getty Oil.

Now the decision has been taken to go for full takeovers of American companies. Arab Opec authorities will be watching Washington's reaction carefully. If it appears that the Santa Fe deal wins approval without too much adverse publicity, then the Kuwaitis, Saudis and others might become more open and aggressive about direct investments in the United States.

There have been two constraints on such investment in recent years. Firstly, there has been genuine concern

among some Arab authorities that using oil money to buy large American companies might provoke anti-Arab sentiments in the United States.

Secondly, there is a shortage of skilled business managers who can be freed from running domestic investment to supervise foreign investments.

It has seemed administratively easier and politically more prudent for the Arab Opec nations to concentrate on portfolio investment rather than direct industrial investment in the United States.

There has been some direct investment. Treasury figures suggest the total may be a few thousand million dollars, but it is likely that, through holding companies, Arab direct investments may be much larger.

Some individuals from Arab Opec countries have bought modest-sized banks in California, Georgia, Washington and Michigan, and some large shareholdings in engineering and construction companies.

Kuwaiti interests have bought holdings in tourism businesses. Nothing comes close in scale to the Santa Fe deal.

Total Arab Opec investments in the United States are formidable. Federal Reserve Board figures suggest that the

More aggressive dealings likely to follow Santa Fe bid Arabs may expand US investments

From Frank Vogt, Washington, Oct 6

The decision by Kuwait to buy Santa Fe International Corporation for \$2,500m (£1,550m) represents a departure from past trends in Arab investment in the United States. Arab Opec nations have at least \$60,000m of American investments, but only a fraction of this amount is in the form of majority shareholdings in corporations.

The Kuwaitis have not only signalled their intent to develop a multinational oil company, but they have become the first Arab investors to buy a large corporation. They have tended to buy large shareholdings in companies — witness their 14.6 per cent stake in Getty Oil.

Now the decision has been taken to go for full takeovers of American companies. Arab Opec authorities will be watching Washington's reaction carefully. If it appears that the Santa Fe deal wins approval without too much adverse publicity, then the Kuwaitis, Saudis and others might become more open and aggressive about direct investments in the United States.

There have been two constraints on such investment in recent years. Firstly, there has been genuine concern

among some Arab authorities that using oil money to buy large American companies might provoke anti-Arab sentiments in the United States.

Secondly, there is a shortage of skilled business managers who can be freed from running domestic investment to supervise foreign investments.

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Total Arab Opec investments in the United States are formidable. Federal Reserve Board figures suggest that the

cumulative Opec current account balance of payments surplus between 1974 and 1980 was \$337,000m after official transfers.

The Treasury believes that at least \$60,000m of this total has been invested in the United States.

The most recent figures suggest that total Arab Opec holdings of United States Treasury securities amount to \$32,537m, more than 25 per cent of total foreign holdings of these securities. The great bulk of these holdings are probably owned by the Saudi Arabian monetary agency, but the Treasury refuses to detail investments on a country-by-country basis.

Treasury figures suggest that total Arab Opec holdings of corporate bonds in the United States in mid-1981 amounted to \$6,075m and holdings of corporate shares to \$8,297m. Arab Opec commercial bank liabilities totalled \$7,957m, with non-bank liabilities almost \$1,060m more and assorted other interests totalling a further \$4,000m.

Tracing ownership, however, can be difficult in many real estate and stock market deals.

There is also evidence that some Arab investors are active buyers and sellers of securities and it is difficult to determine just what their

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There is also evidence that some Arab investors are active buyers and sellers of securities and it is difficult to determine just what their

actual holdings are. One recent report suggested that the Kuwaiti authorities were engaged in stock market transactions involving thousands of millions of dollars in the year to June 1980 through their accounts at Citibank in New York alone.

By making the Santa Fe purchase, aware that it is bound to spark Congressional investigations, the Kuwaitis have almost certainly decided to reveal to the authorities a full account of their diverse interests in America. It seems likely they have made this decision to build a big American-based oil corporation, and more acquisitions are possible soon.

Recently Kuwait launched the Kuwait Overseas Petroleum Exploration Company for foreign exploration. The company, which is active in Malaysia and Bahrain, may soon be a force in the United States. The Santa Fe deal follows two more modest moves by the Kuwaiti-controlled Kuwait Petroleum Corporation earlier this year.

The company put forward \$100m in a joint exploration venture with AZL Resources. It also put forward \$185m to establish a joint venture with Pacific Resources. These deals, along with the Santa Fe one, bring the Kuwaitis into American refining as well as exploration.

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EEC RULING ON SECRET PACTS

By Our Commercial Editor

Restrictive agreements in the Italian flat-glass market, under which buying from foreign manufacturers, including British, was prohibited except in exceptional circumstances, have been ruled by the European Economic Community Commission to be contrary to EEC competition regulations.

The secret agreements, involving Italian manufacturers, wholesalers and processors, were made during 1976 and 1977 and were then gradually abandoned about the end of 1977. Because the agreements were only partially implemented the Commission has decided not to impose fines.

The agreements were made through the Istituto Sfruppo Vetro, Associations Vetro Italia Centrale and Associazione Meridionale Vetro in Laste.

Under the agreements purchases from the Italian makers were made only through the trade associations and on fixed quotas.

The high energy content in glass-making, amounting to more than 21 per cent of total costs, has been, hitherto, the industry. Falling demand is also particularly affecting profitability of the large-volume producers just as it is in competitive packaging industries such as metal cans.

Decline in beer sales and particularly those for soft drinks, during the summer are also expected to have their effect on the glass container sector. Manufacture of containers for food and drink account for about a third of all glass sales.

Britain's glass makers face more setbacks, study reveals

By Derek Harris

Profit margins in Britain's glass industry in three years have declined sharply from 7.2 per cent to 4.1 per cent last year, with the prospect of large profits setbacks, and some losses still to come.

This is the conclusion of a new study by ICC Business Ratios, out yesterday, but reports from the trade also indicate that the industry is being hit by a combination of factors.

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Of the packaging market, worth around £3,500m a year, glass containers account for about 12 per cent, which this year showed a marginal improvement at the expense of plastic and glass-container imports.

But the increasing inroads of the lightweight plastic PET containers is worrying glass container makers such as United Glass and Rockware Glass. United Glass expected a first-half loss this year of £4.6m.

Sales growth in the three years covered by the report has been poor with only two companies in the top ten showing a good rate of expansion. These were Alphas Holdings, the window specialists, and Doulton Glass (manufacturing and home improvement installations), Alphas being up 40.5 per cent and Doulton 23.8 per cent.

Other growth rates were as low as just over 7 per cent. But United Glass and Rockware Glass had growth rates of more than 19 per cent.

Pilkington Brothers, the St Helens, Lancashire, glass maker, saw growth of 14.6 per cent but its subsidiary, Triples, involved in the flagging car manufacturing market, had only 7.4 per cent.

In the year 1979-80 Pilkington had the best profit margins among the top 10 at 14.5 per cent. United Glass's margin stood at 6.6 per cent and Rockware's was 4.1 per cent.

The manufacturing end of the industry saw the steepest returns on capital employed, according to the report. Those making glass for industrial use, such as car windcreens, showed the poorest return at 6.7 per cent in the first year of the study.

Producers of domestic glass had returns of 16.9 per cent, glass users were slightly better at 17.3 per cent and merchants strikingly better at 27.1 per cent.

The Glass Industry: ICC Business Ratios, 23 City Road, London EC1Y 1AA.

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Business appointments

Wilkinson Sword names new director

Sir Ronald Ellis has been appointed director of corporate development of Wilkinson Sword Group.

Mr A. S. O. Hoochen has been made managing director of McCaig's Machine Systems.

Air Vice-Marshal Arthur Griffiths has become chairman of Consolidated Safeguards on the retirement of Mr John Marsh.

Mr David Rose-Ham has been appointed to the board of Williams and James (Engineers).

Mr C. Matheson, group financial controller, has joined the board of Rowan and Boden.

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ANOTHER TRIUMPH FOR MICHELIN.

BY THE FINANCIAL EDITOR

Cold comfort from the money supply

Dollar interest rates continued to ease yesterday, as markets convinced themselves that the Federal Reserve will have relaxed its tough monetary stance a little by the end of the week. On the face of it, the dollar, too, should have eased further, and, so, presumably, it would have done without the upset of yesterday's assassination. Not that the dollar held on to its sharpest gains, but until the implications of the Sadat assassination become clearer, the United States currency will probably be seen as the likely bolt-hole for "nervous" money.

That in turn might take a little of the sweetness out of easing dollar interest rates as far as sterling and United Kingdom interest rates are concerned. But it requires a fair amount of optimism to see United Kingdom interest rates falling from their present level for some months.

Certainly, the reason why authorities chose not to stand in the way of the latest rise in bank base rates is now clear enough. The estimated 2 per cent rise in the broad money supply, sterling M3, in the September banking month may not in fact be quite as bad as it looks. But even if you allow 1/4 per cent for the effect of bunched VAT repayments and a further 1/4 per cent for relatively low public sector debt sales, the position is still uncomfortable.

Overall, sterling M3 has now risen by 10 per cent since the February base month, an annualized rate of over 17 1/2 per cent. That in itself tells us relatively little given the circumstances, but the fact remains that bank lending to the private, and especially the personal, sector has remained particularly buoyant throughout.

For the authorities seemingly to want to slow this engine of recovery might seem strange, not least given the present state of the economy and the apparent switch of short-term emphasis from meeting monetary targets to holding up the exchange rate.

The real issue is whether the Government is simply trying to juggle two balls (the money supply and the exchange rate) as best it can for the moment, or whether monetary policy is in the process of being gradually adapted to be reasonably consistent with a given exchange rate target. The answer is almost certainly that the general approach at present is "fluid".

Sears

Defensive qualities

The first half figures from Sears Holdings are at the top end of expectations with pretax profits at £35.9m, and with the bulk of the earnings coming through in the second six months as usual, the group appears fairly well set to match last year's total of £99.7m. The footwear side has had a fairly static initial six months, but the purchase of the Butler Shoe Corporation in the United States has proved a useful counterweight to the depressed conditions in the United Kingdom. For the five months to July Butler chipped in £3.2m which neatly offset the fall in profits at home so that the total at the trading level came out at £22.3m.

Given the high level of interest rates on both sides of the Atlantic, the interest charge of £3.4m came as something of a surprise since it was actually down on the comparable figure by about £300,000. The answer lies not in any particularly clever financing arrangement done to buy Butler, but in the group's huge cash resources. Sears generally has anything ranging between £30m and £40m out in the money markets earning interest, plus of course the cash flowing in through its stores.

As for the other sections of the group, trading profits from the department stores improved from £1.7m to £3.3m thanks partly to a turnaround at the Wallis Fashion Group which showed a small profit against a loss of £2.2m. The losses on the engineering side were at least contained at £2m while property development and investment saw profits more than double to just over £4m. But two areas of disappointment were car sales and the betting shops.

The shares at 48 1/2p have come back with the market. With a historic yield of 6.8 per cent, they retain their usual

defensive qualities and could even outperform the market should the group show any signs of doing better than expected in certain key areas.

Bejam

Eating humble pie

Bejam has emerged from its unfortunate venture into the fast food market with profits ahead and confidence still intact judging by the dividend forecast. Having raised the 1980-81 dividend by 22 per cent, Bejam is now forecasting a maintained payout after the planned one for three scrip issue — an effective rise of one third.

The retreat from fast foods has cost £1.9m in below the line write-downs but released about £4.5m of cash — term loans apart, the group had nearly £7m net cash at the year-end — which may well come in useful as Bejam is still expanding fast, but it is now getting stung for mainstream corporation tax because of the new stock relief rules.

Volume growth of 8 per cent in existing selling space testifies to the strength of Bejam's traditional frozen food business — freezer sales were also strong — and should allay any fears about competition from the supermarket groups. So the growth here more than offset the nearly tripled trading loss of £640,000 from fast foods, leaving pretax profits up from £8.3m to £9.0m after a first time £294,000 for profit sharing, but with the benefit of an extra week's trading.

Because of the sharply higher tax charge, of which a large part is deferred tax provisions and so will not affect cash flow, earnings per share have fallen from 10.5 to 7.1p, but cover remains ample even though it could slip again this year. Bejam remains confident of another record year and at 126p yielding a prospective 4.2 per cent and on a prospective multiple of over 16 the shares are expecting as much.



Mr Geoffrey Bigham, chairman of Cape Industries

● Cape Industries, still two thirds owned by Charter Consolidated, took a big strategic decision to get out of South African asbestos. With the help of a £9.2m rights issue at 157p, it bought into insulating materials. The wisdom of this decision is still unclear and the group has the hallmark of an unproven industrial holding group. Pre-tax profits went down by nearly a fifth in the first half of 1980, and for the whole year they crashed by half. Worse was to come. In the six months to June the adjusted figures fell two fifths to £3.3m depressed both by heavier interest charges of £1.5m against £1m, and by a building and insulating recession.

The automotive division nearly wiped out its losses, but trading profits in building and insulation dropped from £6.9m to £5.3m. The integration of newcomer Newall in insulation cost £1m in extraordinary expenses below the line, and more are to come. Demand for insulating materials is still disappointing, and Pilkington and Cape have been joined in the competition by British Petroleum and BPB Industries. Price cutting is rife, and no one seems prepared to scrap capacity. Nor will it be until the financial year starting next January that the automotive division will return to profits. But down from 243p to the year's low of 146p, the shares now yield 11 per cent and one day business will presumably pick up.

Masao Takahashi is a union chief who would like his members to spend more of their lives at work.

As assistant general secretary of Domet, the Japanese Confederation of Labour, Mr Takahashi has started campaigning for an increase in the retirement age of his members to 65, from between 55 and 60 years at present.

His reasoning is based on sound economics. The Japanese population is ageing rapidly and a way has to be found to finance pensions; but it is still eerie to hear a trade union official advocating a policy that appears to be the reverse of the European trade union goal of work sharing.

But Mr Takahashi, who also accepts the need for micro-chips and robots as part of what he calls the third industrial revolution, is no right-wing renegade in the union structure. In some ways he appears almost radical, in trying to persuade his members to take their 20 days of annual paid holiday in full instead of using up only 10 days on average at present.

The moderation of Mr Takahashi and the diligence of the Japanese worker are two of the factors behind the visit to Europe this month of a top level economic mission from Tokyo. The mission, which is being backed by the Japanese Government, includes the chief executive from every leading industry and commercial sector in Japan.

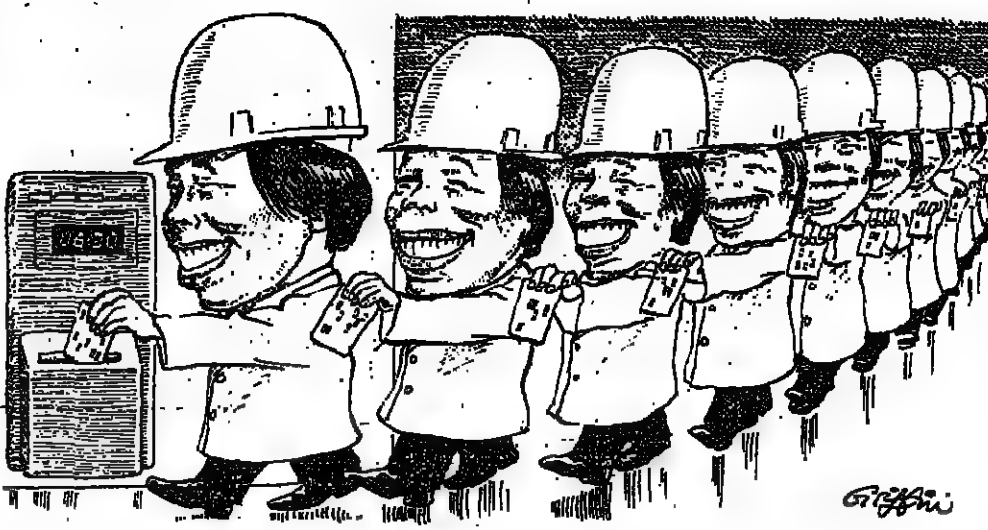
It is touring seven countries in the European Community to explore possibilities for industrial cooperation in Japan, the EEC and the Third World.

The mission members are in a sense the victims of their country's economic success, fearful that a bilateral trade surplus in the EEC, which could reach \$15,000m (£8,108m) this year, might lead to the introduction of protectionist measures in Europe. They come offering to share Japanese technology and management expertise.

The Japanese believe there is scope for a long-term international division of labour, between themselves, the United States and Europe. But such a division of labour

Against a background of controversy over Japanese import penetration a top level mission is in Europe this week and arrives in London tomorrow. How do we see the Japanese? How do they view us? Peter Norman (above) and Peter Hill, both recently in Tokyo, report.

Japanese workers — anything but robots



would imply that the partners are equally competitive.

After a brief visit to Japan, which included calls on factories and farms, and meetings with politicians, government officials and trade unionists, I find it hard to see how the EEC can keep up with the Japanese without radical change in attitudes taking place. In either one society or the other.

Industrial robots are already making their way into small and medium-sized companies in Japan. Two of them were at work when I visited an automobile components factory in Toshihiko province, north of Tokyo, engaged in the relatively unsophisticated manufacture of car seats for the nearby Nissan plant.

Japanese workers are anything but robots. Those on

the production line in the large manufacturing plants have a high educational standard, most of them having studied to either high school or senior high school levels.

The Japanese system of giving a person a job for life, paying by seniority and negotiating wages and conditions through company-based trade unions, does appear to make the worker identify his welfare with that of his employer. Jobs are rotated, ideas and suggestions flow up and down the company structure so that decisions come from a mixture of experience from the top, the middle and the bottom of the enterprise.

The result, as far as one can tell from the brief visit, is a willingness to work and the team spirit is foreign to European experience.

At Toshiba's computer plant in the Tokyo suburb of Fuchu, the workers in one department had put up a banner decorated with paper flowers urging each other to greater productivity in completing an order to replace equipment at flood damaged power stations.

In another section of the plant, programmers worked an average of two hours overtime a day. When asked why, they said it was to fulfil the backlog of orders because their machines were a pleasure to work with. No mention was made of extra pay although at that plant overtime was paid at a higher rate than normal working hours.

Along a wall of honour were certificates and awards

for excellence at work. Tucked away between the photographs of two recipients of the "Computer Panel Olympic" award, were a couple of baseball trophies. They had been given by a former worker by his one time employer. This man had left the company to become a baseball professional and had handed over his first trophies in recognition of the help his career had been given through playing in the Toshiba amateur team.

The effect of such attitudes is that Japanese industry can operate without having to fear serious disruption through strikes or absenteeism. At the plants visited, attendance rates were around 95 per cent, the 5 per cent missing including those who were on holiday. The percentage of workers away sick on any given day was generally less than 1 per cent. Guarantee of continuous production allowed the car components plant in Toshihiko to operate on half a day's supply of raw materials and it was experimenting with operating without stocks at all.

Japanese businessmen and politicians claim that things will change over the next 10 years. The younger generation, they say, work less hard and take their holidays in full.

Wage levels are comparatively high, ranging from a monthly average of 212,500 yen (£503) gross, including the annual bonus, at the car components factory, to 354,000 yen (£839) at Nissan. Income tax is low, averaging 11 to 12 per cent.

In increasing the level of automation, Japanese businessmen are impelled by a fear that they will in turn become uncompetitive against the newer industrializing countries of Korea, Taiwan, Hongkong and Singapore.

Where does this leave the EEC? The Japanese answer is the need of change. But the verdict is not wholly negative. Mr Tadashi Kuranari, a Liberal Democrat politician who has close ties with Europe, pointed out that the EEC still has a very impressive capacity for innovation in science. If this could be harnessed commercially, the 1990s could be a decade of European economic advancement.

Stepping up the search for common ground

Our vigorous export of products is not a conspiracy on the part of Japanese business nor a reflection of its determination to annihilate the industries of other countries

Earlier this year the Confederation of British Industry, whose leaders will be talking later this week to the top level Japanese economic mission which is visiting Europe, launched a strong attack on Japan's "laser beam" approach to exporting.

The outbreak from Centre Point was not surprising. Industrial production in this country has fallen by 17 per cent over the last two years, unemployment is rising, companies can see no prospect of any significant upturn in demand and the imbalance in trade with Japan looks as if it will soon reach £1,400m.

Britain's industrialists — along with most of their counterparts in Europe — made it clear that they wanted the EEC to take strong action to stem the tide if Japan failed to restrain her aggressive exporters voluntarily.

The CBI attack — reinforced in rather more diplomatic language by both the EEC Council of Ministers and by British ministers in talks with their Japanese counterparts — somewhat surprised Japan's business leaders.

Officials of the Keidanren — Japan's equivalent of the CBI — believed that they had

established a reasonably constructive rapport with their British opposites. On the other, they more or less accepted that such an outburst was inevitable.

Mr Masaya Miyoshi, a Keidanren managing director who is accompanying the mission to Europe, which arrives in Britain tomorrow, told me: "Amid the worldwide problems of inflation, stagflation and the high unemployment and difficulties caused by fiscal and monetary policies in the UK, Japan has become the scapegoat".

The tough posture adopted by British businessmen was yet another example of what is termed Japan's "goatbilly". But goatbilly or not, Japan takes the issue seriously. After all, as one of the world's most dynamic econo-

mies, it has to be seen to be acting responsibly, to understand and appreciate the problems which the "laser beam" approach means for the industrial economies of Europe and the United States.

The Keidanren mission forms an important part of a process. It is also important to remember that Japanese policies are shaped by consensus at every level. Decisions and policies therefore take time to formulate.

The delegation, led by Mr Yoshihiro Inayama, the Keidanren chairman, is interested in listening to European proposals and ideas on how the trade friction and trade imbalance can be eased. That is clear from the fact that the European mission is seen by the Keidanren as having been born out of an inevitably vague political concept outlined more than two and a half years ago by EEC Industry Commissioner Viscount Etienne Davignon.

Mr Miyoshi: "We have refined the concept and identified the areas of interest, since basically we agreed that it was desirable to increase the level of collaboration — through technological exchanges, joint ventures in third countries and two-way direct investment — because, after all we have to co-exist and work together to maintain free trade in the industrialized world."

"We have to work together to find the common ground. If we are to solve the bigger

problems which face the world, such as inflation and the relationship between North and South, we have to ensure there is more cooperation and less confrontation. The time has come to consolidate our relations on a more profound and solid base."

Both the Keidanren and Japan's Ministry of International Trade and Industry, which is sponsoring the mission, regard the two-week visit as a vital part of the consensus building process. The mission will be followed by others representing specific industrial sectors.

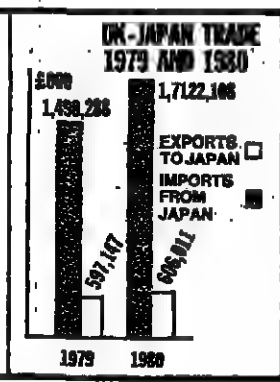
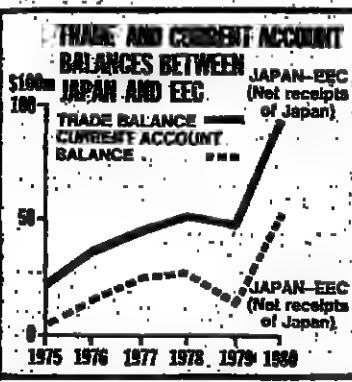
Mr Miyoshi again: "An important task of the mission will be to obtain clearcut ideas and proposals from European business leaders and Government on how we can implement the three or four basic ideas. Since the original concept came from

Europe then we think that concrete proposals should come from the European side."

In the Keidanren's view the top-level exchanges can only help to improve understanding on both sides of the problems which companies face. Understanding, the Keidanren believe, is the key to improving relations between the EEC and Japan. It may be a long-drawn-out and frustrating business for Europeans.

Mr Miyoshi neatly describes Japan's effectiveness in exporting thus: "Japan's vigorous export of products is not a conspiracy on the part of Japanese business nor a reflection of its determination to annihilate the industries of other countries. It results from improvements in productive efficiency and the increased demands for Japanese products from the consumers of importing countries."

His hope, and that of members of the delegation, is that a deepening of understanding of the trade will, in time, percolate down through the various industrial sectors and those who engage in "laser beam" exporting. That will take time.



Source: MFI, United Kingdom Overseas Trade Statistics

Business Diary: The driving spirit of John Zachary De Lorean

Johnny Carson hit British television screens for the first time on Saturday night and saw himself upstaged by a marmoset.

Two nights later John Zachary De Lorean was omnipresent on our screens fending off a much more dangerous adversary — a Miss Marianne Gibson, variously described during the day as "a senior executive" and later "a typist". She threatened to bring the house of De Lorean crashing down around John Zachary's ears with allegations of financial misdeeds surrounding the building of the De Lorean production line in Belfast.

The comparison between the two men is irresistible. Both in their own way put on a bravura performance at effortlessly brushing off trouble. Carson looked like a man who would be very much at home in the boardroom exchanging golf stories and profit projections. De Lorean, judging by Monday's performance, could slip into Carson's anchor-man seat any night and no one would notice the difference.

So what could be more natural than the fact that if the De Lorean empire should sink under the weight of suspicion surrounding it, a good \$500,000 of Carson's money, invested in confidence, will go down with it.

This is a loss which the nation could probably stand. The fact that there is also more than £80m of British Government aid and 2,500 jobs in Belfast tied in with it gives the future of De Lorean's car plant of more lasting interest.

After his performance on British television on Monday night, it seems impossible to separate the fate of the De Lorean Motor Company from the personality of John Zachary De Lorean himself.

This is understandable since De Lorean's character is as forthright and as individualistic as the car he has produced. At one time the publicists he is fond of employing attempted to portray him as the archetype of the trendy, worldly-wise motor executive which the author Arthur Hailey was to use in his novel about the American motor industry, *Wheels*.

It was a nice story for a public relations firm, but it was simply untrue; Hailey now says that none of the characters in the book was based upon De Lorean.

In fact, De Lorean's youth was not the stuff of which pulp best sellers are made. He was born in January 1925, the son of a worker in the foundry at the Ford Motor Company in Detroit, and spent much of his youth

flitting between his mother's home in Los Angeles and his father's in a working class suburb of Detroit.

It was only in 1948, after he had won a music scholarship and a degree in mechanical engineering, that he joined Chrysler and stepped onto a motor industry career escalator which led him to where he is now. De Lorean left Chrysler in 1952 and became head of research and development for Packard, leaving four years later for the Pontiac Division of General Motors.

It was here, in the heartland of American mass car production, that his career blossomed as he presided over an increase in Pontiac sales from 688,000 in 1964 to 877,000 in 1968. Flamboyance, and in particular the boyance of John Z. De Lorean, who was then starting to make his way into the gossip columns, was no small part of the success.

If one is to believe De Lorean's unofficial biography — written in collaboration with the respected American motor industry journalist Patrick Wright — this was a period of intense dissatisfaction with the standards of the industry.

He quit in 1975 making a lot of noise about GM not being willing to produce what he called an "ethical" car, a



John De Lorean

vehicle which was low on fuel consumption and built to last a long time.

Two things suggest this stance should be taken with a pinch of salt. Later, when the Belfast scheme was taking shape, he withdrew his name from the Wright book in a move which has been widely interpreted as an attempt to

restore his shattered links with the conventional motor industry. More conclusively, the car which he has produced at Belfast does not seem to fit in with his own definition of an ethical car.

It is expensive — \$25,000, though some Americans are so keen at the moment that they are willing to pay more — thirsty, and generally more interested in style than economy.

Should Belfast fail, De Lorean will find no comfortable niche back in Detroit's motor industry upper classes. Eight years since his departure, the mere mention of his name can still raise a grimace.

He shocked the mores of an intensely conservative hierarchy which inherited its puritanical outlook on life from the sprawling Du Pont clan which once owned GM. They wore suits, white shirts, ties and hats and drove to work in company cars. De Lorean wore jeans, dyed his hair, and turned up at the offices in a Lamborghini or even, on occasion, a pick-up truck.

The offence was compounded when he chose a model, Cristina Ferrare, 20 years his junior as his third wife. Unlike his reputation in Detroit the marriage lasted. Today she still earns nearly a

million dollars a year from modelling contracts.

Detroit remains doubly disillusioned with De Lorean: not only did he flout its morality, but it accuses him of forcing the city to indulge in a race with Puerto Rico for the site of his sports car factory. In the end, of course, it was Belfast which beat them all, though we shall all have to wait to find out if Northern Ireland can be described as a winner.

The car itself is on the verge of success — it has established itself as a desirable object in America, but, at the same time, has attracted criticism of the quality of its finish.

De Lorean himself, after years of sniping from critics at the edges, is finally showing signs that he is personally hurt by criticism. It seems a long way from the last interview he gave to the *Detroit Free Press* when he said: "It's still like I'm only 27 and the whole wide apple of the world is waiting out there for me to take a bite of. Some day maybe I'll wake up and discover I'm not 27. But until then, I guess I'll keep living on adrenalin... I'm running because it turns me on."

David Hewson

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Head Office, 1000 North Circular Rd.,
London, NW2 7JF, Tel: 01-450 9971

FINANCIAL NEWS

Halstead profits slip but dividend goes up

By Margaret Pagan

Profits declined again last year at James Halstead, the specialist floor covering and leisure products group, but after recovery in the second half shareholders are getting a 10 per cent dividend increase.

The shares gained 5p to 48p on the news, 1p above the year's high. Pretax profits were down by £290,000 to £1.3m in the year to June on sales slightly depressed at £21.5m compared with £21.9m. Sales for the previous year, however, included £2m from B.M. Coatings, which has since been closed.

Mr Bryan Morrill, chief executive, says that despite difficult trading conditions the group's main operating companies have either increased or maintained their relevant market shares.

Trading profits from Halstead's core business, floor coverings supplying the contract and retail trade, were little changed at £1.1m on £12m turnover.

The division has moved into the retail carpet tile business and recently invested £140,000 in an American carpet tufting machine.

In the leisure area, Conway, a maker of trailer tents and equipment for camping, improved sales over the year. In August Halstead bought Averoy Travel, a company running coach/camping holidays to the South of France, for £250,000 with further profit-related payments over the next two years. Mr Morrill expects profits of £200,000 in the year to September and further growth next year.

Oil shares alone make headway

Stock markets

Share prices, already nervous yesterday ahead of the money supply figures, were upset by first reports of President Sadat's assassination at midday and, with the exception of oil shares, declined steadily throughout the afternoon. The money supply figures themselves, though slightly better than the worst fears were overshadowed by the news from Egypt.

Sellers came in early in the afternoon, and with no clear guidance from Wall Street, prices drifted lower still. The FT index closed at 475.1, 15.4 points down after Monday's 4.1 rise.

Leading shares closed at their lowest for the day after reports that President Sadat had died. Confirmation of his death came after hours and triggered another 1p to 2p off share prices. ICI closed 10p lower at 252p, while Bechtel lost 11p to 186p. Glaxo, 14p to 380p and Unilever 15p to 561p. Engineering leaders saw Hawker down 8p to 278p at the close, Tubes 4p lower at 108p and GKN 4p.

Beowater lost 5p to 208p and BAT Industries fell 14p to 351p.

Glaxo saw three existing stocks reactivated as tapstocks worth £750m at 3.30 p.m., after the rumour of the previous tap was taken up at £87 in reasonable demand during the morning. But the assassination knocked the gilt market back again in the afternoon. Shorts

rallied a little after hours after losing £1 in the afternoon, but long-dated gilts, after being £1 up, lost that to close back at Monday night's levels.

After opening easier oil shares rose in quite heavy trading as fears rose of fresh confrontations in the Middle East. BP closed 8p higher overall at 302p, Shell gained 14p to 358p and Lasso rose 13p to 472p. Ultra-mar gained 15p to 448p. Second liners had Carless Capel down 1p overall to 117p, KCA International 3p up at 59p and figures sent Amstrad up 12p to 18p after 18p earlier. Fears that the Trident missile programme will be even more costly than originally thought upset defence stocks at the start, while electrical shares generally fell with the market

during the afternoon in volatile trade.

Banks had a quiet day and drifted down 5p until the news.

Shareholders of Alexander Houlden apparently cannot wait for the formal merger documents from Alexander and Alexander. They have been selling in the market at prices well below what the merger is said to be worth. Houlden shares closed 1p harder at 139p. The A & A bid is reckoned to have a worth of 165p.

from Egypt knocked up to another 5p off prices. Barclays ended 10p off at 408p, as did Midland at 308p. Lloyds lost 3p overall to 388p and National Westminster fell 5p to 373p.

Equity turnover on October 5

was £112.859m (12,326 bargains). The most active stocks yesterday, according to the Exchange Telegraph, were ICI, BP, Lasso, Plessey, Shell, Tri-control, Ultramar, Glaxo, Commercial Union, Rascal, Thorn EMI, Bechtel, Hanson Trust, GEC, KCA Drilling, British Land, Land Securities, Court-aids, Unitech, Burmah, Bowater, British Aerospace, Legal & General, S & W Berford, BSR and Premier Consolidated.

Traded options saw 1,871 contracts. Rascal saw profit taking on put positions, and the BP series was also active.

Traditional options were active. Premier was 6p for the call and 5p for the put. Calls were done in Westwell at 7p, First National Finance at 31p, and Woolworth at 41p. Doubles were done in BP at 35p.

Silentnight on course for a record year

By Philip Robinson

Silentnight Holdings, the Lancashire beds, upholstery and furniture group, is predicting record profits this year. At the halfway stage the pretax figure rose from £711,000 to £2.47m.

Mr Thomas Clarke, the chairman, says that the results are being compared with a very poor opening half last year, but the six-month figures to August 1 are still a third up on the group's previous first-half record of £1.8m in 1979.

The result has been achieved on a 16 per cent increase in sales to department store, mail order, and high street retail customers. Sales are up from £30m to £36m.

Mr Clarke says that 2 per cent of that increase is represented by price rises, but the rest is new orders. Silentnight have spent around £4m a year on new plant and equipment.

Mr Clarke said: "We have been making ourselves more efficient for some time now. At the beginning of last year we cut the workforce by 10 per cent to 3,000. We have still got them and we have not had to make any more redundant. There has not been much short-time working either. It is our competitors who have been suffering from the recession, not us."

But he admits that there has been a much more aggressive approach taken to getting orders.

Silentnight is paying a doubled half-time dividend of 2.85p, but says that shareholders should not look for the same sort of increase at the year end.

Idris protests at its shares

By Our Financial Staff

Shares of Idris Hydraulic Tin were suspended at 162p yesterday by the Stock Exchange without consulting the company.

Idris announced a landslide at its open cast tin mine in Perak State in Malaysia 10 days ago which led to the immediate suspension of all operations. On September 30 the board was reported to be considering what options remained open to the company. There was also a landslide at the site last year.

The company said yesterday that it would seek reinstatement and described the suspension as hasty and arbitrary. But the Stock Exchange said that for the moment there was insufficient information available for shareholders to form a proper view of the company's worth, and the shares would remain suspended until more information was forthcoming. The suspension price values Idris at £2.07m.

BASE LENDING RATES

ABN Bank	16%
Barclays	16%
BCCI	16%
Consolidated	16%
C. Hoare & Co	16%
Lloyds Bank	16%
Midland Bank	16%
Nat Westminster	16%
TSB	16%
Williams & Glyn's	16%

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Capital Loan Stock Valuation
The Net Asset Value per £1 of Capital Loan Stock is 224.06p calculated on Formula 2.
Securities valued at middle market prices.

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The Over-the-Counter Market

1980/81	High	Low	Company	Price	Ch/pt	Yld	P/E	Div	Yld
114	100	98	ABT Hedges 10% CULS	110	+1	10.0	9.1	—	—
76	39	38	Alpsgrupp Group	69	—	4.7	6.8	10.9	15.2
52	21	20	Armstrong & Rhodes	42	—	4.3	10.2	3.5	7.9
300	92	91	Bardon Hill	187	—	9.7	5.3	9.1	11.1
104	88	87	Deborah Services	97	—	5.5	5.7	4.8	9.1
128	88	87	Frank Horrell	112	+2	6.4	5.7	10.1	24.3
140	39	38	Frederick Parker	60	—	1.7	2.8	26.0	—
110	52	51	George Hair	52	—	—	—	—	—
113	95	94	IPC	98	—	7.3	7.4	7.1	10.7
113	53	52	Jackson Group	98	—	7.0	7.1	3.1	7.0
130	103	102	James Burroughs	113	—	8.7	7.7	8.2	10.4
334	244	243	Robert Jenkins	288	—	21.3	10.9	4.0	10.2
59	50	49	Scruttons "A"	53	—	5.3	10.6	8.2	7.6
224	187	186	Torday Limited suspend	—	—	15.1	8.1	7.2	12.4
23	8	7	Twinkl Ord	11	—	—	—	—	—
90	68	67	Twinkl 15% UL5	75	—	15.0	20.0	—	—
56	34	33	Unitech Holdings	34	—	3.0	8.8	6.1	10.3
103	81	80	Walker Alexander	82	—	6.4	7.8	5.4	9.5
253	191	190	W. S. Yates	224	—	13.1	5.8	4.2	8.6

Another year of Excellent Results

Mrs. J.M. Tyrrell reports:

- * Record sales and profits achieved. Pre-tax profits up by 43%.
- * A total dividend for the year of 7p per share recommended—an increase of 40%.
- * A one-for-one Scrip Issue proposed.
- * Shareholders' Funds increased by 24%—Group borrowings eliminated.
- * Sirdar now the brand leader in hand knitting yarns.
- * With a strong balance sheet and continuing investment in new plant and buildings the Company is well placed to face the future.

Summary of Results

	1981	1980
Year ended 30th June		
Turnover	£7,000	£7,000
Profit before tax	5,314	3,708
Profit after tax	3,462	2,398
Ordinary Dividend	819	585
Dividend Cover	4.2	4.1
Return on		
Shareholders' Funds	39.3%	34.2%
Earnings per Share (before tax)	44.31p	30.89p

Copies of the Annual Report, containing the Chairman's Statement in full, available from The Secretary, Sirdar Limited, Flanshaw Lane, Alverstoke, Wokingham RG40 2ND.

Lilley in agreed bid for MDW

By Our Financial Staff

Two Glasgow civil engineering and building groups effectively joined forces yesterday when F. J. C. Lilley emerged as the bidder for MDW Holdings with an offer valuing the group at £8.03m.

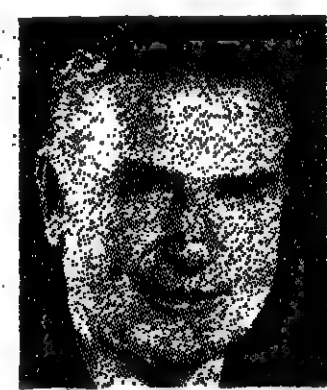
Recommended terms are one Lilley share plus £1 cash for every two MDW shares. Lilley's shares slipped 10p to 130p while MDW's shares, after suspension at 83p on Monday, returned at 108p. The offer values MDW at 119p a share.

MDW shareholders can take a higher proportion of the offer either in shares or cash. They can also choose an alternative of an equivalent nominal amount of new 1985 Lilley loan.

stock bearing interest at the interbank rate for six months sterling, depositors payable half-yearly.

Directors of MDW have unanimously recommended the bid and accepted in respect of their 9.08 per cent stake. The group's shareholders will be entitled, whether they accept the offer or not, to the half-year dividend for 1981 of 2.14p gross.

Mr James Aitken, chairman of Lilley, said yesterday the acquisition would extend the range of construction services available from the present group. It would provide opportunities to strengthen trading, particularly in Scotland and the north of England.



Mr H. A. Whitson, chairman of MDW Holdings.

Amstrad profits soar

By Our Financial Staff

Rubber ducks could well add almost 50 per cent to the already soaring profits of Amstrad Consumer Electronics, the radio and hi-fi group, next year. After next month, this and other call signs of the citizen band radio enthusiasts paying around £60 per set—will be music to the ears of Mr Alan Sugar, the group chairman.

He believes that Amstrad could get 20 per cent of the CB market, estimated to be worth £78m in a full year—by Christmas.

Profits for the year to last June of the group, which came to market 18 months ago, jumped 75 per cent to £2.3m on a turnover up from £8.7m to £14.1m. Mr Sugar has virtually doubled the gross profit dividend from 2.65p to 5.64p with a 3.41p final.

He says that during the year the group has doubled production at its Southend factories

Half-time fall at Stag Furniture

On turnover 6 per cent lower at £14m, pretax profits at Stag Furniture Holdings fell by 18 per cent to £705,000 in the 26 weeks to June 26, mainly because of continued poor results at Avalon Furniture.

Mr P. V. Radford, the chairman, reports that the conditions are still difficult. Stag has an adequate order book and is maintaining its market share; Stag's financial position is strong and liquid. An unchanged interim dividend of 2.5p gross is being paid.

Vibroplant reshuffle

Mr Jeremy Pilkington, whose family owns nearly 60 per cent of plant hire group Vibroplant, has become chairman in a series of moves designed to ease the family's capital gains tax burden. The outgoing chairman, Mr Roy Glanville, now heads Vibroplant Investments, which is already holding talks about expansion into leisure. In the year to last March, pretax profits fell from £3.5m to £1.9m, and the start to this year was poor.

York Trailer

Mr Frederick Davies has taken off the market the 60 per cent of York Trailer Holdings he owns via a Canadian company, and family trusts. Mr Davies, York's chairman, serves three months ago while taking to a buyer. In August the shares came back 4p lower at 10p as talks broke down, but Mr Davies said other companies were showing interest. A statement last night said the 60 per cent is no longer for sale. Mr Davies is in Canada.

Arlington acquisition

Arlington Motor Holdings has entered into an agreement with Lloyds of Scotland to purchase for £1.25m the whole of the share capital of its subsidiary, C. V. (Sales and Repairs), a Leyland vehicle distributor at Basildon, Essex.

Arlington will transfer the business, carried on at Chadwell Heath in Basildon and sell its freehold premises at Chadwell Heath.

Eastern Produce

The Eastern Produce (Holdings) offer for Unochrome Industries has been accepted by holders of 10.2m shares (61.06 per cent) which together with the shares already held gives Eastern 90.99 per cent.

The ordinary offer has been declared unconditional.

Edinburgh Securities

Edinburgh Securities has made an application to the Stock Exchange for permission to deal in its ordinary shares in the Unlisted Securities Market. Dealings are expected to start next Monday.

At present, specific bargains in Eaco's shares take place under rule 163(2)(A). The Stock Exchange has requested that dealings under rule 163(2)(A) should cease pending the outcome of the application.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any shares.

Lowe's Companies, Inc.

(Incorporated under the laws of the State of North Carolina, United States of America)

Authorised 50,000,000

Issued and reserved for issue at 23rd September, 1981* 20,000,000

Shares of Common Stock of U.S. \$0.50 par value

*including 6,977,874 shares reserved for issue

All the issued and reserved shares of Common Stock have been admitted to the Official List by the Council of The Stock Exchange.

Particulars relating to Lowe's Companies, Inc. are available in the Extel Statistical Service and copies of the statistical card may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 21st October, 1981 from:

S. G. Warburg & Co. Ltd.,
30 Gresham Street,
London EC2P 2EB.

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN.

7th October, 1981

James Walker

Goldsmith & Silversmith p.l.c.

Extracts from the Statement by the Chairman Mr Gerald S. Sanders

This financial year proved to be a most difficult period for trading. Assisted by the contributions from new acquisitions, Group turnover showed an increase of 8.8% compared with 1980. As with many High Street traders, increasing costs have resulted in lower profit margins.

The revaluation at 2nd May 1981 of the Group's freehold and long leasehold properties showed a surplus of approximately £7.7m.

At present, there is no indication of a resurgence in sales but Group turnover for 1982 will be higher than last year as a result of recent acquisitions.

Given a return to more normal trading conditions, there is every expectation of an increase in profits.

GROUP RESULTS FOR YEAR ENDED

	2nd May 1981	26th April 1980
Turnover	27,672,758	25,431,152
Profit before Tax	2,292,377	4,019,304
Taxation	524,622	359,544
Extraordinary Items	1,100,426	639,076
Profit after deducting Tax and Extraordinary Items	667,329	3,020,684
Earnings per Share	8.7p	18.4p
Dividend per Share	4.0p	4.0p

Copies of the Report and Accounts are available from the Secretary, James Walker Goldsmith & Silversmith p.l.c., Century House, Stratford High Road, London SW16 6ES.

Commonwealth of Australia

Twenty Year 5% Bonds due November 1, 1985

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on November 1, 1981 at 100% of the principal amount thereof through operation of the Sinking Fund, \$712,000 principal amount of said Bonds bearing the following numbers:

OUTSTANDING COUPON BONDS BEARING THE FOLLOWING NUMBERS:

BONDS IN ANY OF THE FOLLOWING TWO SERIES:

05 24 25 31 47 53 73 79 80 94 99

ALSO COUPON BONDS BEARING THE FOLLOWING NUMBERS:

404 2804 2304 6404 13504 14704 17004 18704 22604 34604

2804 2304 6404 13504 14704 17004 18704 22604 34604

Registered Bonds without Coupons

Principal Amount to be Redeemed \$2,000,000

Number 234

Principal Amount to be Redeemed \$1,000

Number 238

On November 1, 1981, the Bonds or portions thereof, designated above will become due and payable at the principal amount thereof, at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015. Coupon Bonds should have attached all unexpired coupons appurtenant thereto. Coupons due November 1, 1981 should be detached and collected in the usual manner.

Upon surrender of a registered Bond for partial redemption there will be issued, at the option of the holder, registered Bonds or coupon Bonds of authorized denominations for the unredeemed principal amount.

On and after November 1, 1981, interest shall cease to accrue on the Bonds, or portions thereof, herein designated for redemption.

COMMONWEALTH OF AUSTRALIA

October 2, 1981

NatWest Mortgage Rate

With effect from 8th October, 1981 the NatWest Mortgage Rate payable under current Mortgage Deeds and Conditions of Offer will be increased by 1½% to 15% p.a.

Existing borrowers will have their monthly repayments adjusted in February, 1982 in accordance with existing arrangements.

National Westminster Home Loans Limited
41 Lothbury, London EC2P 2BP.

Upset at Sadat's death

5 Forward bargains are permitted on two previous day.

BELL'S
SCOTCH WHISKY
BELL'S

[illegible]

MARKET REPORTS

Commodities

COPPER bars were steadier. Afternoon—Cash bars, 1902-27.00. Metric ton: high-grade three months, 1902-945.50; Sale, 77.50 tonnes. Low-grade three months, 1901-932. Sale, 200-901.60; high-grade three months, 1902-950.50-930.50; Settlement, 1901-950.50. High-grade three months, 1902-950.50; Settlement, 1901-950.50. Cathodes, 1901-950.50; three months, 1902-950.50.

LEAD was steadier. Afternoon—Cash, 2596-297 per tonne; 100 lb, 2596-297 per tonne; 100 lb, 2596-297 per tonne. Morning—Cash, 2592-297 per tonne; 100 lb, 2592-297 per tonne; 100 lb, 2592-297 per tonne. Settlement, 2592-297 per tonne; 100 lb, 2592-297 per tonne; 100 lb, 2592-297 per tonne.

**THIS NOTICE DOES NOT CONSTITUTE AN OFFER
FOR SALE**

ISSUES OF GOVERNMENT STOCK

The Bank of England announce that Her Majesty's Treasury has created on 6th October, 1981, and has issued to the Bank, an additional amount of £250 million of each of the Stocks listed below:

12 PER CENT TREASURY STOCK 1987
12½ PER CENT TREASURY LOAN 1992
14 PER CENT TREASURY STOCK 1998-2001

The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 6th October, 1981 as certified by the Government Broker.

In each case, the amount issued on 6th October, 1981 represents a further tranche of the relevant Stock, ranking in all respects *pari passu* with that Stock and subject to the terms and conditions of the prospectus for that Stock, save as to the particulars therein relating to the amount of the issue, the price payable, the date of issue and the date of redemption. The relevant prospectuses for the Stocks listed above dated 4th July, 1980, 1st August, 1975 and 23rd November 1979 respectively may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

Application has been made to the Council of The Stock Exchange for each further tranche of stock to be admitted to the Official List for dealing on Thursday, 8th October, 1981.

The Stocks are repayable at par, and interest is payable half-yearly, on the dates shown below:

Stock	Redemption date	Interest payment dates
12 per cent Treasury Stock 1987	3rd November 1987	3rd May 3rd November
12½ per cent Treasury Stock 1987	22nd January 1992	22nd January 22nd July
14 per cent Treasury Stock 1998-2001	22nd May 2001, or on or at any time after 22nd May 1998 subject to not less than three months' notice	22nd May 22nd November

The further tranches of 12 1/2 per cent Treasury Loan 1992 and 14 per cent Treasury Stock 1996-2001 will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock. Dealings in the further tranche of 12 per cent Treasury Stock 1987 for settlement prior to 3rd November, 1991 will, in common with the existing Stock, be effected on an ex-dividend basis.

BANK OF ENGLAND
LONDON
6th October, 1981

Wall Street

New York, Oct 6/7.—Stocks were mostly lower at the close after moving uncertainly through most of the session because of confusion surrounding the assassination of Egypt's President Sedat.

The Dow Jones industrial average was off closed down 3.61, at 856.26. It had dropped from an early gain to show a loss, then recovered by mid-session, before slipping back again.

Declining issues were ahead at the close. Volume turned downward to 45.7 million shares from 51,290,000 shares yesterday.

The market was unable to set its course through most of the morning because of the uncertainty over whether Mr. Sadat had been killed.

Mr Keith Hertell, manager of the trading department at Donaldson, Lufkin & Jenrette said the market showed underlying strength through that period. "It acted very well on the news about Sadat", he said. "Now people are talking about the political ramifications."

	Oct 6	Oct 7		Oct 8	Oct 9		Oct 10	Oct 11	Oct 12	Oct 13	Oct 14	Oct 15	Oct 16	Oct 17	Oct 18	Oct 19	Oct 20	Oct 21	Oct 22	Oct 23	Oct 24	Oct 25	Oct 26	Oct 27	Oct 28	Oct 29	Oct 30	Oct 31	Oct 32	Oct 33	Oct 34	Oct 35	Oct 36	Oct 37	Oct 38	Oct 39	Oct 40	Oct 41	Oct 42	Oct 43	Oct 44	Oct 45	Oct 46	Oct 47	Oct 48	Oct 49	Oct 50	Oct 51	Oct 52	Oct 53	Oct 54	Oct 55	Oct 56	Oct 57	Oct 58	Oct 59	Oct 60	Oct 61	Oct 62	Oct 63	Oct 64	Oct 65	Oct 66	Oct 67	Oct 68	Oct 69	Oct 70	Oct 71	Oct 72	Oct 73	Oct 74	Oct 75	Oct 76	Oct 77	Oct 78	Oct 79	Oct 80	Oct 81	Oct 82	Oct 83	Oct 84	Oct 85	Oct 86	Oct 87	Oct 88	Oct 89	Oct 90	Oct 91	Oct 92	Oct 93	Oct 94	Oct 95	Oct 96	Oct 97	Oct 98	Oct 99	Oct 100	Oct 101	Oct 102	Oct 103	Oct 104	Oct 105	Oct 106	Oct 107	Oct 108	Oct 109	Oct 110	Oct 111	Oct 112	Oct 113	Oct 114	Oct 115	Oct 116	Oct 117	Oct 118	Oct 119	Oct 120	Oct 121	Oct 122	Oct 123	Oct 124	Oct 125	Oct 126	Oct 127	Oct 128	Oct 129	Oct 130	Oct 131	Oct 132	Oct 133	Oct 134	Oct 135	Oct 136	Oct 137	Oct 138	Oct 139	Oct 140	Oct 141	Oct 142	Oct 143	Oct 144	Oct 145	Oct 146	Oct 147	Oct 148	Oct 149	Oct 150	Oct 151	Oct 152	Oct 153	Oct 154	Oct 155	Oct 156	Oct 157	Oct 158	Oct 159	Oct 160	Oct 161	Oct 162	Oct 163	Oct 164	Oct 165	Oct 166	Oct 167	Oct 168	Oct 169	Oct 170	Oct 171	Oct 172	Oct 173	Oct 174	Oct 175	Oct 176	Oct 177	Oct 178	Oct 179	Oct 180	Oct 181	Oct 182	Oct 183	Oct 184	Oct 185	Oct 186	Oct 187	Oct 188	Oct 189	Oct 190	Oct 191	Oct 192	Oct 193	Oct 194	Oct 195	Oct 196	Oct 197	Oct 198	Oct 199	Oct 200	Oct 201	Oct 202	Oct 203	Oct 204	Oct 205	Oct 206	Oct 207	Oct 208	Oct 209	Oct 210	Oct 211	Oct 212	Oct 213	Oct 214	Oct 215	Oct 216	Oct 217	Oct 218	Oct 219	Oct 220	Oct 221	Oct 222	Oct 223	Oct 224	Oct 225	Oct 226	Oct 227	Oct 228	Oct 229	Oct 230	Oct 231	Oct 232	Oct 233	Oct 234	Oct 235	Oct 236	Oct 237	Oct 238	Oct 239	Oct 240	Oct 241	Oct 242	Oct 243	Oct 244	Oct 245	Oct 246	Oct 247	Oct 248	Oct 249	Oct 250	Oct 251	Oct 252	Oct 253	Oct 254	Oct 255	Oct 256	Oct 257	Oct 258	Oct 259	Oct 260	Oct 261	Oct 262	Oct 263	Oct 264	Oct 265	Oct 266	Oct 267	Oct 268	Oct 269	Oct 270	Oct 271	Oct 272	Oct 273	Oct 274	Oct 275	Oct 276	Oct 277	Oct 278	Oct 279	Oct 280	Oct 281	Oct 282	Oct 283	Oct 284	Oct 285	Oct 286	Oct 287	Oct 288	Oct 289	Oct 290	Oct 291	Oct 292	Oct 293	Oct 294	Oct 295	Oct 296	Oct 297	Oct 298	Oct 299	Oct 300	Oct 301	Oct 302	Oct 303	Oct 304	Oct 305	Oct 306	Oct 307	Oct 308	Oct 309	Oct 310	Oct 311	Oct 312	Oct 313	Oct 314	Oct 315	Oct 316	Oct 317	Oct 318	Oct 319	Oct 320	Oct 321	Oct 322	Oct 323	Oct 324	Oct 325	Oct 326	Oct 327	Oct 328	Oct 329	Oct 330	Oct 331	Oct 332	Oct 333	Oct 334	Oct 335	Oct 336	Oct 337	Oct 338	Oct 339	Oct 340	Oct 341	Oct 342	Oct 343	Oct 344	Oct 345	Oct 346	Oct 347	Oct 348	Oct 349	Oct 350	Oct 351	Oct 352	Oct 353	Oct 354	Oct 355	Oct 356	Oct 357	Oct 358	Oct 359	Oct 360	Oct 361	Oct 362	Oct 363	Oct 364	Oct 365	Oct 366	Oct 367	Oct 368	Oct 369	Oct 370	Oct 371	Oct 372	Oct 373	Oct 374	Oct 375	Oct 376	Oct 377	Oct 378	Oct 379	Oct 380	Oct 381	Oct 382	Oct 383	Oct 384	Oct 385	Oct 386	Oct 387	Oct 388	Oct 389	Oct 390	Oct 391	Oct 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517	Oct 518	Oct 519	Oct 520	Oct 521	Oct 522	Oct 523	Oct 524	Oct 525	Oct 526	Oct 527	Oct 528	Oct 529	Oct 530	Oct 531	Oct 532	Oct 533	Oct 534	Oct 535	Oct 536	Oct 537	Oct 538	Oct 539	Oct 540	Oct 541	Oct 542	Oct 543	Oct 544	Oct 545	Oct 546	Oct 547	Oct 548	Oct 549	Oct 550	Oct 551	Oct 552	Oct 553	Oct 554	Oct 555	Oct 556	Oct 557	Oct 558	Oct 559	Oct 560	Oct 561	Oct 562	Oct 563	Oct 564	Oct 565	Oct 566	Oct 567	Oct 568	Oct 569	Oct 570	Oct 571	Oct 572	Oct 573	Oct 574	Oct 575	Oct 576	Oct 577	Oct 578	Oct 579	Oct 580	Oct 581	Oct 582	Oct 583	Oct 584	Oct 585	Oct 586	Oct 587	Oct 588	Oct 589	Oct 590	Oct 591	Oct 592	Oct 593	Oct 594	Oct 595	Oct 596	Oct 597	Oct 598	Oct 599	Oct 600	Oct 601	Oct 602	Oct 603	Oct 604	Oct 605	Oct 606	Oct 607	Oct 608	Oct 609	Oct 610	Oct 611	Oct 612	Oct 613	Oct 614	Oct 615	Oct 616	Oct 617	Oct 618	Oct 619	Oct 620	Oct 621	Oct 622	Oct 623	Oct 624	Oct 625	Oct 626	Oct 627	Oct 628	Oct 629	Oct 630	Oct 631	Oct 632	Oct 633	Oct 634	Oct 635	Oct 636	Oct 637	Oct 638	Oct 639	Oct 640	Oct 641	Oct 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DOMESTIC AND CATERING SITUATIONS

AU PAIR

immediate position in Rocky Mountain area of U.S.A. Private room, board, transportation both ways, auto for excursions. Light housekeeping and tutoring for child: ages 11, 15, 17. Prefer college education, non-smoker, and one year minimum stay. Photograph, references and resume to:

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THE TIMES

Authorized Units, Insurance & Offshore Funds

This table is published on Wednesday and Saturday

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Publishers of Vogue, House & Garden and Brides and Brides and the new Home Magazine. We are looking for a young, enthusiastic Secretary to the Managing Director. Must be an experienced, competent shorthand typist able to cope in this extremely busy office.

Modern offices near Oxford Circus. Lively friendly people. Salary according to experience. Please apply: Angela Simons Personnel Manager, The Condé Nast Publications, 100, New Bond Street, London W1 02 01-499 9880

JNR SECRETARY TELEVISION

Leading television company are looking for a College leaver (min speeds 10/20) to learn all about the exciting, fast moving world of television. Training career opportunity for someone with enthusiasm and initiative.

01-499 6566
THE GROSVENOR BUREAU
Staff Consultants

Experienced Secretary PA
Required by Marketing Director of a leading company. Applicant should be 25+ - versatile, efficient and able to work on own initiative. Salary £6,500 p.a. Contact: 01-278 3451

Office Administrator up to £7500 pa

A well known firm of international management consultants requires an Administrator to manage its London office. This is a new appointment.

The Administrator will be responsible to the Managing Director for office staff including word processing operators. Additional responsibilities will include the operation of internal control systems and the central filing systems. The Administrator will also carry out secretarial duties for the Managing Director. The successful candidate will be aged about 40, with several years' office management experience. First class secretarial skills, including shorthand are also required.

In the first instance please write giving details of age, qualifications and experience to date to Julie McIlraith, Personnel Assistant.

Stoy Hayward & Co.,
54 Baker Street,
London W1M 1DJ

Private Chalet - Crans-Montana

We need two people to look after the chalet and our guests next season from early January to early April.

Apart from general housekeeping, they will provide cooked meals, drive weekly to Geneva to collect and deliver guests to the airport in a VW mini-bus and keep the chalet accounts.

Applicants, aged 25-35, will have relevant experience in a similar role or as a courier at a ski resort. Cooking ability to Cordon Bleu standard is essential, and good conversational French, continental driving and skiing experience would be an advantage.

As well as an attractive salary, we provide free board and accommodation, full insurance cover, lift abatement, free travel to and from the resort and one free day a week.

Please write, giving personal and relevant experience details, to A.C.J. Hegman,
21 Eaton Row, London, S.W.1.

Flitton International

Secretary to Senior Vice-President

We are looking for a highly qualified experienced Person Secretary to work for our Senior Vice-President responsible for all Flitton Hotels in Europe, Africa and West Asia. His Secretary will handle all correspondence, travel arrangements and appointments and ensure the smooth running of this very busy top executive's office. They will also work closely with his Personal Assistant.

Applicants for this senior secretarial position should have had at least three years' experience working for a top executive of a multi-national company. Impeccable secretarial skills are essential (shorthand 120 typing 70) with excellent presentation and accuracy. Age 25-35. Top salary and benefits. It is hoped that the successful applicant can join us as soon as possible.

Applicants should apply in writing with up-to-date C.V. to Mr Robin Spensman, Director of Personnel and Training, Flitton International Co., 21-22, Shaftesbury Avenue, London WC2B 8EQ.

Lloyds Underwriting Agency

£7,500 PA/Secretary

A founder director/shareholder of a highly respected company is seeking a PA/Secretary to assist him in his work. The successful candidate will be required to join NATSOPA Trade Union.

Please send full career and personal details to:
Miss R. A. Williams,
Birds Eye Wall's Limited,
Walton on Thames,
SURREY

Crone Corkill

Recruitment Consultants
166 Piccadilly

BILINGUAL SECRETARY P.A.

Director for academic institution based in the PARIS area running educational programmes in Middle East requires a bilingual P.A. Excellent secretarial skills, good computer, ability to work in English and in French, ability to cope with different nationalities and age groups. Ability to work under pressure, essential. 2/3 years experience. English native tongue preferred. Write giving full career and educational details to: Mr. Scholmer, Director Centre France Proche Orient, 72330 JOUR EN JOURS, FRANCE or telephone (03) 911000.

PUBLISHING £5,500 + EXTRA HOLS.

Enjoy a one to one format office. This is a fantastic opportunity for a young, enthusiastic, motivated person to work in a dynamic publishing environment. The successful candidate will be required to join NATSOPA Trade Union.

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Miss R. A. Williams,
Birds Eye Wall's Limited,
Walton on Thames,
SURREY

PA/SECRETARY

An unusually interesting opportunity as Secretary to Chairman of a large entertainment agency and music company. Although the work is demanding, it is also very exciting. The successful candidate will be required to join NATSOPA Trade Union.

Please send full career and personal details to:
Miss R. A. Williams,
Birds Eye Wall's Limited,
Walton on Thames,
SURREY

SECRETARY/RECEPTIONIST

A small city firm of Chartered Surveyors, mechanical and electrical engineers, requires a Secretary/Receptionist. The successful candidate will be required to join NATSOPA Trade Union.

CUES

35 New Broad Street, London EC2M 1NH
Tel: 01 588 3588 or 01 588 3576
Telex 887374

SECRETARY TO A DEPUTY CHAIRMAN

EC.3 LLOYD'S of LONDON £6,000-£6,750 + bonus

We invite applications from well-educated Secretaries, aged 21-26, with good shorthand/typing and at least 2 years' experience either in insurance, a City institution or blue chip company. The successful candidate will join a small, hard-working team providing full secretarial support to the Chairman's office, with specific responsibility for the Deputy Chairman for his business affairs, appointments and arrangements for numerous functions. Poles, attention to detail and a mature outlook are important. Salary negotiable £6,000-£6,750 + bonus, 3-course lunch for 50, non-contributory pension and season ticket assistance. Applications in strict confidence, under reference SDC 557/77, to the Managing Director.

CAMPBELL-JOHNSTON EXECUTIVE SECRETARIES LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH
TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374
RECRUITMENT CONSULTANTS

Director's Secretary

A responsible role in a major company £5,500-£6,000 p.a. Slough

Our Client, one of the world's leading computer manufacturers is looking for an intelligent and highly capable Secretary to work for the Regional Sales Director at their attractive modern offices in Slough.

In addition to providing him with a full and efficient secretarial service, you will be responsible for a variety of other duties that involve liaising with customers, and generally ensuring the smooth running of a busy office. On occasion you may also be required to drive the Director's Company Car - for which a clean driving licence is essential.

Probably aged 25-30 years, you will have good secretarial skills (50/120) together with a mature and responsible attitude to your work and the ability to cope well under pressure. Some experience within a similar senior position is essential.

Please write in the first instance with full C.V. quoting ref. no. MOXON 7/808 to Barbara Kelly, Moxon & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB.

The Managing Director of a leading firm of International Money Brokers Based in the City of London is looking for a Personal Assistant/Secretary

The ideal person must possess all the recognised secretarial skills, be a good organiser, adaptable and confidential. Previous experience gained in money broking environment would be an advantage. The successful applicant will be attractively rewarded.

Please write with all relevant details to Box No. 2460 F, The Times

ATTRACTIVE GIRLS

Earn £30 to £60 p.h. Modelling

Do you have style, personality and charisma? We are looking for new faces for fashion, photographic and glamour modelling for advertising, films, sales promotion, magazines and T.V. commercials. No experience necessary if you have what it takes, a very pretty face and excellent, well-proportioned figure. Registration fee £10, no other money or fees required from you. We are extremely selective so you can expect very high earnings if successful. For interview send personal details, occupation, height, measurements, dress size, etc. S.A.E. and photos to:

Mr. Kevin Phillips, 60 Brookfield Court, Epsom Road, London, S.W.2.
01-733 8750 (anytime)

P.A. IN EVERY SENSE!

S.W.1. TO £7,000

The charming M.D. of this multi-million £ International Company will rely on you being a self-starter, able to anticipate his next need. There's lots of personal work and a full range of P.A. duties, so the hours can be long. Basic secretarial work, though not extensive, demands accurate typing and 80/90 shorthand. A working knowledge of German and French is essential, also you'll need to know London. The offices are superb and include an excellent free staff restaurant.

Call Ely Nagler or Caroline Oldroyd on 01-499 5566/55 6311

Executive Secretaries

Executive Secretary to Personnel Director

£6,400 p.a.

First class secretary required by the Personnel Director of this international food manufacturing company based in West Kensington. Above average secretarial skills are required together with the ability to liaise at all levels. Excellent benefits.

For further details please contact Mrs. K. Martin on 01-603 2040, ext. 2461.

AUDIO SECRETARY

Start at £6,000

Here is a thrilling opportunity to join a brand new department in a highly successful and rapidly growing company. You'll need a little shorthand to supplement your audio but your responsibilities will be wide and interesting, including arranging meetings, looking after files etc. Preferred age mid 20s. Tel: Elizabeth Bogard.

SENIOR SECRETARIES

3/6 Trump Street EC2V 8DA
01-606 1611

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£7,000 + early review + career potential

Do you genuinely seek a career up-ward and find stimulating to join the business? We are looking for a young, dynamic, enthusiastic, professional and mature to take you up to the next level. For more information call: 01-621 0566

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£6,000 NEG.

Young dynamic barrister requires smart, presentable P.A./Secretary to help run a fast growing medical legal business. Fast, accurate typing 60+, shorthand understanding and a working knowledge of bookkeeping, medical or legal experience useful.

Please telephone 637 9711

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also on page 28

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